

FIVE YEAR MUNICIPAL DEVELOPMENT PLANS

FIVE YEAR MUNICIPAL DEVELOPMENT PLANS

PROCEEDINGS OF THE SEMINAR
NEW DELHI

MARCH 11-13, 1968



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FOREWORD

The urban population in India is increasing at a very fast rate, which is resulting in haphazard and disorderly growth of our towns and cities. More and more people are coming from the rural to the urban areas in search of employment. As our towns are not prepared to meet the needs of the increasing population in terms of housing, water-supply, sewage and other services, slums are being created in the cities. In order to meet this situation, it is essential to have a planned approach in city development and to integrate urban development plans into the state and national Five Year Plans.

Recognising the need of planning for our cities, the Centre for Training and Research in Municipal Administration organised a three-day Seminar on "Five Year Municipal Development Plans" in the Indian Institute of Public Administration, New Delhi. The volume contains a short introduction, the working paper, a note on methodology for the preparation of the city development plans, and the proceedings of the Seminar. It is hoped that the pages that follow will be found useful by all those interested in urban problems.

Shri R.S. Gupta, Lecturer in the Centre, has edited these proceedings and made them fit for publication, and deserves thanks for this.

New Delhi
November 25, 1968

J.N. KHOSLA
Director

The Indian Institute of Public Administration



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INTRODUCTION

The unprecedented developments which have taken place in our cities and towns during the past several years, especially since Independence, emphasise the necessity for intelligent planning of our urban areas. Today, most civic-minded business and professional men and public officials have come to realise that proper planning offers the urban community the most logical means of solving the numerous problems resulting from the growth of population, the expansion of industry, the scarcity of resources, and the changes arising out of technological and scientific developments. Unfortunately, in most of our cities, planning is largely a corrective and preventive process. Planning agencies very rarely have the opportunity to plan a community from its inception. Planning has usually begun after much of the physical layout has been set and after the pattern of land use has been affected by uncontrolled developments. Thus, the accomplishments through planning are greatly circumscribed as a result of costly mistakes of the past.

City planning to be rational, realistic and sound, cannot confine its surveys or plan making to the area within the arbitrary and quite often illogical city limits. It must also look far beyond these limits for forces and trends which condition, if not largely control the city's future, for aside from the obvious intimate relationship which exists between the city and its suburbs, there are also the complex metropolitan areas. Conditions and prospects in the city are also affected by State and national forces, policies and programmes. The planning process consisting in the main of coordination and integration, of achieving a higher degree of harmony and organic unity among all features of development which compose the neighbourhood cannot stop at the city limits. The plans of the city must be integrated with those of the adjoining suburban areas in the districts of the State, and even those of the region and the nation itself.

There are other and perhaps more compelling reasons why the city planning agency should look beyond the city planning limits for the preparation of the master plan. Some of the forces and factors which condition and even control the future of the community—its growth, its economic prospects, even some of its physical features—are of regional or provincial character. What is likely to happen in the city will depend not alone on what is likely to happen in the larger urban metropolitan area of which the city is a part, but also on what is likely to happen in the region or in the State. Rational plans for the desirable future development of the city cannot be drawn without adequate consideration of regional and provincial forces and policies.

It was with this end in view that the Planning Commission of India had written to the State Governments, as early as in 1962, about the urgent need to draw the urban areas and urban communities into the scheme of national planning in an organic manner and suggested that, to begin with, cities and towns with a population of one lakh or more and especially those with Municipal Corporations might be invited to prepare City Development Plans. It further suggested that in the next phase as many towns and cities as possible be brought into the scheme of national planning. The Commission rightly desired the City Development Plans to be linked up with the State Five Year Plans so that items of urban development could be incorporated into the State Plans and form their integral parts for all purposes.

The State Local Self-Government Departments, the Planning Commission desired, should hold consultations with the State Planning and Finance Departments to incorporate the City Development Plans in the respective State Plans and ensure allocation of funds to provide loans, grants and other assistance which would be necessary from the State and Central Governments for the implementation of the approved City Development Plans. Unfortunately, no progress was made in this direction, primarily because of lack of knowledge of and experience in the preparation of such plans among the urban local bodies. At the instance of the Local Self-Government Working Group of the Planning Commission, the Town and Country Planning Organisation of the Government of India

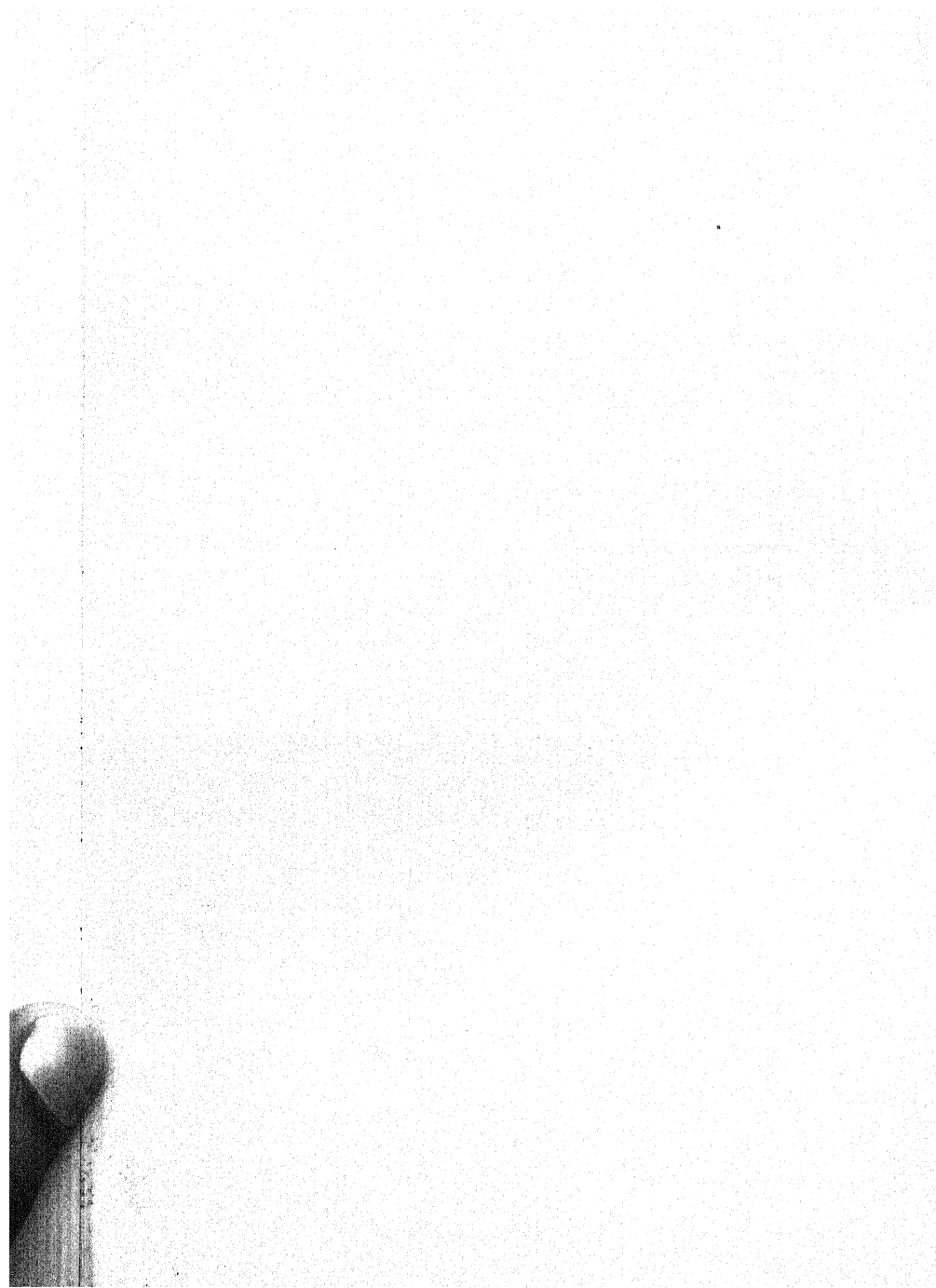
prepared a few City Development Plans by way of pilot studies and evolved a methodology for the guidance of local authorities.

In view of the importance of the subject, especially on the eve of the Fourth Five Year Plan, the Centre for Training and Research in Municipal Administration in the Indian Institute of Public Administration, New Delhi, organised a three-day Seminar on "Five Year Municipal Development Plans". In this Seminar no less than thirty-one Councillors/Municipal Commissioners representing twelve urban local bodies from all over India responded to our invitation. The Seminar was formally inaugurated by the Union Minister for Health, Family Planning and Urban Development, Shri Satya Narain Sinha. Shri Govind Narain, Secretary to the Government of India in the Ministry of Health, Family Planning and Urban Development, highlighted the importance of City Development Plans in the context of economic planning in India in general and the growing population of the urban local bodies in the country in particular.

The three-day programme was broken up into different aspects, *viz.*, plan preparation, expenditure planning, plan resources—fiscal, human and material, and plan implementation. On all these subjects a specialist in the field was invited to initiate the discussion and to clarify the doubts which might have occurred. The first day's proceedings were presided over by Dr. J. N. Khosla, Director, Indian Institute of Public Administration; on the second day the Mayor of Baroda, Shri Nana Lal D. Choksi, was in the Chair; and on the last day, the morning session was presided over by Shrimati Aruna Asaf Ali, ex-Mayor of Delhi, and the afternoon and concluding session by the present Mayor of Delhi—Shri Hans Raj Gupta. The Seminar came to an end with concluding remarks from Prof. G. Mukharji, Director, C.M.A., who, besides thanking all the participants and guest speakers, also summarised the three days' proceedings.

New Delhi
November, 1, 1968

R.S. GUPTA



LIST OF PARTICIPANTS

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- (1) Shri S.B. Varade, Councillor, Ahmednagar Municipal Council, Maharashtra.
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- (3) Dr. S.K. Kulkar, Councillor, Ahmednagar Municipal Council, Maharashtra.
- (4) Dr. S.M. Basheer, Councillor, Ahmednagar Municipal Council, Maharashtra.
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- (6) Shri Manik Lal, Councillor, Asansol Municipality, W. Bengal.
- (7) Shri Tarun Sanyal, Councillor, Asansol Municipality, W. Bengal.
- (8) Shrimati Leela Kant, Councillor, Bareilly Cantonment Board, Uttar Pradesh.
- (9) Shri Mohammad Farid, Councillor, Bareilly Cantonment Board, Uttar Pradesh.
- (10) Shri Nana Lal D. Choksi, Mayor, Baroda Municipal Corporation, Gujarat.
- (11) Shri S.J. Coehlo, Municipal Commissioner, Baroda Municipal Corporation, Gujarat.
- (12) Shri A. N. Parikh, Town Development Engineer, Baroda Municipal Corporation, Gujarat.
- (13) Shri Krishna Chandra Mohapatra, Councillor, Cuttack Municipality, Orissa.
- (14) Shri Ram Lal, Councillor, Municipal Corporation of Delhi, Delhi.
- (15) Shri Satish Chandra Khandelwal, Councillor, Corporation of Delhi, Delhi.
- (16) Shri Hans Raj Gupta, Mayor, Municipal Corporation of Delhi, Delhi.

- (17) Shri R.N. Chopra, Municipal Commissioner, Municipal Corporation of Delhi, Delhi.
- (18) Shrimati Aruna Asaf Ali, Ex-Mayor, Municipal Corporation of Delhi, Delhi.
- (19) Dr. R.K. Bharadwaj, Ex-Councillor, Municipal Corporation of Delhi, Delhi.
- (20) Shri Dev Raj Sood, Vice-President, Delhi Cantonment Board, Delhi.
- (21) Shri M.A. Salam, Councillor, Guntur Municipality, Andhra Pradesh.
- (22) Shri G.M. Thapar, President, Ludhiana Municipal Committee, Punjab.
- (23) Shri K.C. Rana, Councillor, Ludhiana Municipal Committee, Punjab.
- (24) Shri J.S. Sharma, Councillor, Ludhiana Municipal Committee, Punjab.
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- (27) Shri R. Chandrasekharan, Chairman, Finance Committee, Quillon Municipality, Kerala.
- (28) Shri R. Natesan, Councillor, Quillon Municipality, Kerala.
- (29) Shri C.R. Bharathan, City Engineer, Quillon Municipality, Kerala.
- (30) Shri M. Arumugham, Councillor, Salem Municipality, Madras.
- (31) Shri P. Arunachalam, Councillor, Salem Municipality, Madras.

B. GUEST SPEAKERS

- (1) Shri Govind Narain, Secretary, Ministry of Health, Family Planning & Urban Development, Government of India, New Delhi.
- (2) Dr. Ashish Bose, Senior Research Fellow, Institute of Economic Growth, Delhi.
- (3) Shri J.P. Sah, Economic Planner, Town & Country Planning Organisation, Government of India, New Delhi.

- (4) Dr. J. Madhab, Capital Budget Specialist, Calcutta Metropolitan Planning Organisation, Calcutta.
- (5) Dr. S.P. Agarwal, Head, Manpower Economics and Statistics Division, Institute of Applied Manpower Research, New Delhi.
- (6) Shri A.P. Saxena, Director, Committee on Plan Projects, Planning Commission, New Delhi.

C. PARTICIPANTS FROM THE INSTITUTE

- (1) Dr. J.N. Khosla, Director, Indian Institute of Public Administration, New Delhi.
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WORKING PAPER

Concept and Need

A municipal development plan is conceived as a programme of action over a period of years preferably within a suggested land-use plan for the municipal area. Such a plan is thus a combination of physical and functional planning of a specific urban area. The need for a municipal development plan arises primarily out of the urgency for the integration of the planning of the urban areas with the national and State planning efforts. Secondly, it is necessary to formulate a well-thought out programme of action for the municipal area without which a city master plan would remain a mere blue print. Thirdly, this exercise at the municipal level has necessarily to take into account the local needs, resources and priorities, and thus, it is suitable corrective to the dangers and difficulties involved in centralised planning.

The sectoral needs of a community to be included in a development plan have to be estimated by taking into account the demographic and occupational characteristics of the urban population including their settlement and density patterns. An essential precondition of this kind of planning exercise is to identify the various categories of population in terms of their respective needs. The total community needs, thus ascertained, constitute the basis for fixing plan targets for individual facilities.

Scope

The municipal development plan is essentially a capital improvement programme spread over a number of years. One could also think of including in the plan other development activities such as malaria eradication, population control and the whole range of welfare services which are in the nature of final community consumption, and do not lead to community capital formation. However, the development plan envisaged

here falls in the former category and thus embraces the basic community facilities such as land development, housing and slum clearance, water supply and sanitation, educational facilities, medical and health facilities, road development and transportation, provision of gas and electricity, recreational facilities such as parks, amusement centres, etc. and other municipal undertakings such as markets, abattoirs, crematoria, etc. Not all these facilities fall within the administrative jurisdiction of the urban local bodies. Other agencies involved will be the Central and State Government agencies; special purpose bodies, like, improvement trusts, housing boards, electricity boards, cantonments, port authorities, and so on. For the sake of planning and development, the area may have to be extended even beyond the municipal boundaries. Cantonment boards and panchayati raj bodies at the periphery will, in that case, come within the purview of the municipal development plan.

It is generally found that responsibilities for the provision of basic community facilities are shared by a number of agencies in an urban area. In such a context, the preparation of the development plan has to be a joint venture in which every involved agency and authority must take part. Participation by all the relevant agencies has the merit of promoting coordinated areal development. But, there are obvious difficulties in achieving coordination among a host of diverse agencies in the absence of an overreaching authority with statutory backing. Where a special statutory authority is created for plan preparation, it will not have the benefit of enlisting popular support and participation. Further, the creation of a special authority does not *ipso facto* ensure active involvement of the Central agencies. Inter-governmental coordination becomes more difficult to achieve where, as in Delhi, an urban complex crosses State boundaries.

Alternatively, one could think of a municipal development plan to be prepared by the municipal authority alone within its functional and territorial limits. This has the obvious advantage of securing public participation in the preparation of the plan. Since many an allied function and facility will be in the administrative jurisdiction of other authorities, this exercise might lead to lopsided and limited development of the urban area, both functionally and territorially.

Plan Preparation

In view of scarcity of resources—human, material and financial—in relation to community needs, the preparation of a municipal development plan involves determination of priorities among the various facilities and among the different projects under a particular facility. Determination of priorities at the municipal level is apt to be influenced and even distorted by national/State priorities. This dilemma is present wherever conditional grants are released from a higher to a lower level of government. However, one could think of some scientific criteria for distinguishing between local and national/State priorities, and resolving their conflict. In purely economic terms, where the plan expenditure for a facility has spill-over effect beyond the municipal limits, national/State priorities should predominate. On the other hand, where such effects are contained within the bounds of a municipal area, local priorities should get the upper hand, irrespective of the sources of finance. A logical corollary of this is that for the purely local projects which have no spill-over effects, there should be a system of block capital grants to the municipal bodies as distinguished from specific, conditional grants. Such a system of block capital grant will stimulate locally conceived and needed projects. Also, it will have the additional advantage of promoting coordinated urban development which will be an improvement on the present practice of functional plan assistance.

Another important point which deserves attention in the determination of priorities among various facilities and among different projects under a facility to be included in the development plan, is that such determination must be preceded by scientific studies on investment allocation, choice of techniques, and cost-benefit analysis. Although, in the ultimate analysis, priorities are to be politically determined, the local decision-makers can exercise a degree of choice when they are provided with full information about the costs and returns—both economic and non-economic—of the facilities and projects to be included in the development plan.

Plan Implementation

Since a number of authorities and agencies will be responsible for implementing their respective facilities and projects

included in the development plan, it is imperative that at this stage all of them should move in concert. Failure to do this is apt to hinder the pace of implementation and seriously disturb the plan as a whole. To ensure coordinated implementation of the plan, it may be necessary to endow the planning agency itself with adequate powers, or at least with the right to receive periodical progress reports from the implementing agencies. In this respect, the role of the State Government to ensure enforcement of the plan is of crucial importance. Often, suggestions are made about the creation of special purpose development authorities for the preparation and implementation of municipal development plans. However, such authorities are in their very nature non-democratic, and hence fail to enlist popular support and participation. It is not impossible to conceive of local democratic institutions for these purposes. There are instances of competitive institutions at the local level engaged in the creation of plan facilities and their maintenance. But, a divorce between these two may lead to the implementing and the maintaining agencies working at cross purposes. It will perhaps be better to think in terms of integration of these two functions through a single agency.

In implementing the municipal development plan, the time factor is of crucial significance inasmuch as the balancing of resources—human, material and financial—has to be done within a specific time horizon. The conventional master plan envisages physical planning of the urban area over a sufficiently long period of time, say, between 20-30 years. The municipal development plan, on the other hand, takes into account both the physical requirements of the community and the resources position within a limited number of years, say 5-7 years. The planned facilities and projects have to be programmed in such a way that the final outputs are realised with the minimum of inputs—human, material and financial. The action programmes have to be broken down to annual plans, and integrated with the budgets of the implementing agencies. It is necessary to ensure proper review and evaluation of the performance of the participating agencies and authorities. This task may well be undertaken by the planning agency which would suggest amendments in the plan, if necessary, in the light of experience gained.

Successful implementation of the municipal development

plan would depend on the extent to which the local fiscal resources are stepped up. It may not always be palatable to the local political leadership; but the fact remains that improved services and facilities will have to be paid for. Initially, assistance from the State and/or the Central Government may supplement local funds. Even then, for debt-servicing and meeting maintenance costs of the plan facilities, the local body has to rely on its own resources. The irony of the situation is that a multiplicity of agencies and authorities crowd the urban scene, but it is only the representative urban local body which is to suffer the pain of raising local resources. Other special purpose authorities such as the improvement trusts, housing boards and so on enjoy the pleasure of spending without having to reckon with the local tax-payers.

The municipal development plans would form part of the State plans, and would thus be integrated with the national plan. Such dovetailing with the State plans will be considerably facilitated if a proper planning machinery is created at the States' level. This planning machinery will play the same role as the Planning Commission does at the Central level *vis-a-vis* the Central cabinet. In addition, there will be need for the institution of a State Finance Commission to formulate principles of inter-governmental grants and tax-sharing. One can think of converting the State planning body itself into a quinquennial finance commission. Many of the programmes included in the municipal development plan will be loan-financed, the sources being both governmental and institutional. In such a context, it may be appropriate to discuss the pros and cons of creating a specialised urban development bank at the States' level with the joint participation of the State Governments, Reserve Bank of India, Life Insurance Corporation and other commercial banks. The release and management of loans need to be organised on a commercial basis, and for this the State departments may not be properly equipped.

NOTE ON METHODOLOGY FOR THE PREPARATION OF CITY DEVELOPMENT PLANS*

Objectives of City Development Plans

The objectives of City Development Plans will be clear from the following paragraph which appears in the Memorandum on the Fourth Five Year Plan published by the Planning Commission :

“At this stage in India’s economic and social development the contribution which city development plans could make scarcely needs to be stressed. Most cities are already being overwhelmed by their growing problems ; the influx of population and other developments are leading to deterioration in living conditions for the bulk of the population, as well as to greater contrasts and disparities. Few cities are making the necessary civic effort of mobilising the resources they could for solving urgent social problems. Even under favourable conditions, the results will be slow to come. Everywhere the effort will have to be sustained and long drawn. Costly schemes of development for the cities have necessarily to form part of the plans of States, for instance, in power, water supply and drainage, hospitals, housing and slum clearance and higher education. But, besides, such schemes, there is considerable scope for civic development in many directions as well as for improving the administration of various services, enlisting the participation of citizens and promoting urban community development. Development schemes for cities included in the plans of States as well as those undertaken by them at their own initiative and from their own resources can be easily brought together into city development plans. Plans for the use of land and for land acquisition and development, leading as early as possible to systematic master plans, will go a long way in integrating development efforts in different directions.

*Prepared by the Town and Country Planning Organization of the Government of India.

They are the essential foundation for city planning. In turn, they will help municipal bodies to plan for the fuller mobilisation of their resources and assume larger responsibilities for housing and slum clearance and improvement and for ensuring that over a period of years the minimum amenities will become available to all citizens. In no other way will it be possible to solve the pressing problems thrown up by rapid urbanisation, development of industry and migration from rural areas and small towns."

Equally important is to ensure that the City Development Plans fulfil the National and State planning objectives, policies and priorities. Failure on their part to do so will lead to inconsistencies and financial bottlenecks. Successful implementation of plans calls for a high degree of coordination also. In many urban areas a number of departments, agencies or organisations, other than the local body, concerned with some aspect or the other of urban development, are found operating. Thus, for example, the State Government Medical Department may be providing major hospitals and the State Education Department may be providing higher secondary schools in a city. In some cities and towns, Improvement Trusts or Housing Boards may also be carrying out certain functions which have a very close bearing on problems of urban development. It is highly necessary that the City Development Plans bring about a coordination in the activities of all the concerned departments, agencies and organisations. Since one basic objective of City Development Plans is to involve the urban communities in the scheme of planning, the work of coordination in preparing such Plans may be entrusted to the Municipality which is also the agency primarily concerned with the provision and maintenance of civic amenities and facilities.

The various steps to be taken in the preparation of a City Development Plan are enumerated below :

- (1) Listing of needed developments or improvements.
- (2) Determining the priorities of development.
- (3) Working out agency-wise and department-wise capital improvement projects.
- (4) Integration of individual capital improvement projects.

- (5) Analysis of Municipal finances.
- (6) Balancing of needs and resources.
- (7) Completion of City Development Plan and its integration in the State Plan.

(1) Listing of Needed Developments or Improvements

The listing of needed developments or improvements will be a preliminary step in the preparation of a City Development Plan. The Master Plan or the Interim General Plan, where one exists, will indicate what type of development would be necessary to improve the pressing problems of the city as well as those which are likely to be encountered in the near future, arising out of the increase in population and activities. The physical targets in terms of development of land for residential, commercial, industrial and other purposes, construction and improvement of roads, provision of community facilities, services and utilities, provision of parks, play grounds and open spaces, etc., should be derived from the Master Plan. It is, however, necessary at this stage to consider any other type of development which might need attention, although not emerging out of the Master or Interim General Plan, e.g., provision of sanitary units, purchase of equipment, control of epidemics, etc. In listing the items of development, the programmes, proposals, projects or schemes of all important organisations and agencies, besides the urban local body, which are involved in urban development work or any of its aspects should be assembled and taken into consideration. The main point is that the preparation of a list of the needed items of development should cover all important sectors of activities of the municipal authority as well as all other agencies, departments or organisations concerned with urban development.

(2) Determination of Priorities

The next step in the preparation of City Development Plans will be to determine the priorities of development with due regard to areas and fields of development. The items to be selected should be those which would deserve priority of attention in the first 5 to 6 years synchronous with national

deficiencies in different sectors of development and in different areas of the city plus the felt needs of the community would largely influence the fixing of priorities but it would be desirable to keep the following criteria in view :

- (i) Satisfaction on long-felt basic needs and derivation of substantial benefits to the community.
- (ii) Being in accordance with the social objectives and priorities of the National and or State Five Year Plan.
- (iii) Readiness in implementation because of funds in hand or plans or investigations completed or processes started.
- (iv) Being in proper sequence of construction of related projects.
- (v) Being of value in improving the financial prospects of the capital improvement programme (by virtue of its ability to generate substantial surplus over costs).
- (vi) Being of value in strengthening the economic base of the urban community or its infra-structure.

(3) Framing of Capital Improvement Programme

The broad policies of development and the priorities of areas and individual projects having been decided, it will be necessary in the next step to work out agency-wise and department-wise the details of each project with specifications of works, date of commencement, phasing of construction, estimation of costs and their distribution over each year of the entire period of execution, etc. The individual capital projects will have to be so drawn up by the department or agency concerned that in addition to maintaining engineering consistency and technical coordination 'lump' expenditure is avoided as far as possible. In this manner the capital improvement programmes for roads, drainage and sewerage, water works, land acquisition and development, housing, expansion of educational, medical, public health and sanitary facilities, redevelopment of blighted areas, etc., will have to be drawn up by the concerned agencies or departments. For each individual project, the following particulars should be given :

- (i) Short description of the project.
- (ii) Purpose and importance of the scheme.

- (with the year of coming into operation) and phasing of construction.
- (iv) Current status of work, if any, on the subject.
 - (v) Area of operation.
 - (vi) Estimate of capital costs and their distribution annually over the period of execution.
 - (vii) Annual receipts from the project.
 - (viii) Annual maintenance and operational cost.
 - (ix) Relationship to other schemes, if any.
 - (x) Modes of financing the schemes, *i.e.*, whether out of Central, State or Municipal loans, grants or current revenues whether out of Plan or Non-Plan Budgets.
 - (xi) Amortisation charges, in case of financing out of loans.
 - (xii) Name of action agency or department.

(4) Integration of Individual Capital Improvement Projects

The integration of individual capital improvement projects will be the next logical step in the preparation of the City Development Plan. This means not merely aggregating the schemes and their annual targets in physical and money terms, but also co-ordination of the schemes with one another, based on an evaluation of their inter-relationships. A clear picture of the developments envisaged area-wise will emerge and any adjustments or modifications considered necessary to strengthen the development programme in specific economic sectors or spatial areas which are badly handicapped, can also be carried out at this stage. This will also enable each of the agencies and organisations concerned with urban development to know its precise responsibility in the execution of its own programmes.

(5) Analysis of Municipal Finances

Insofar as the schemes, projects or programmes forming a part of the City Development Plan pertain to the State or Central Government departments, the question of assessing their ability, revenue capacity or revenue potential does not seem to be necessary specially because Plan-ceilings for the State Governments and the Central Ministries are decided on the basis of the financial position of the

Central and State Governments. Most of the expenditure incurred by the Central or State Government departments or agencies would be met out of their respective Plan or Non-Plan budgets and no formidable financial difficulties in their case are envisaged. With regard to that part of the City Development Plan which will be directly implemented by the Municipal Corporation or Municipality, it is necessary to assess in as much detail as possible its financial capacity, specially its revenue potential. A few suggestions in this regard are given below.

The financial ability of a local body will depend not merely on its present revenue structure and on changes in it but also on the likely future yield of municipal revenue specially if new revenue measures were to be introduced. It will also depend upon the nature of the schemes they implement. If the schemes are of a nature which yield substantial revenue surplus after meeting their maintenance, operation and amortisation schemes, costs and revenue will act and react upon each other and, therefore, it is necessary to consider "ability" and the "needs" together to make rational evaluation or comparison of the two sides.

The following steps will be useful in making long term estimation of revenues :

- (i) Compilation of past data relating to revenue yields and rate schedules for analysis of trends.
- (ii) Identification of principal sources of revenue.
- (iii) Study of inter-relations of various revenues and identification of key factors in the economic situation affecting their yield.
- (iv) Forecasting of economic conditions in the future by concentrating on the behaviour of the sectors of the town economy having a direct bearing on the revenue base.
- (v) Evaluation of the impact of the conditions on major items of revenue and their yield.
- (vi) In the case of any proposed new revenue measures or changes in the rates-structure of existing levies, estimation of the likely increase in yield with due regard to administrative efficiency.
- (vii) Measuring the magnitude of current delinquency and

past arrears and future improvements of administrative efficiency in the revenue collection.

(viii) Finally, in the light of all these evaluations and measurements, estimating future yield of revenues.

Along with the estimation of future revenue yields, it will be necessary to project the current expenditure of the Corporation on account of continuing liabilities relating to schemes in operation, amortization charges on outstanding debts and the normal growth of non-scheme expenditure relating to collection and administrative costs, due to normal increase in population and activities. The above estimates will make it possible to have a dimensional idea about the increase in expenditure which will have to be met out of future revenues on account of continuing liabilities.

(6) Balancing of Needs and Resources

As stated earlier, the capital improvement programme will indicate the funds required for each complete project, work and sub-work as well as for portions thereof which are proposed to be carried out in each year of the allotted time-span of the City Development Plan. Maintenance and operational costs and amortization charges have also been estimated as an essential prerequisite of budgetary planning. The receipts from each revenue yielding scheme are also shown. It is now necessary to integrate these estimates with the estimates of future revenue and expenditure and arrive at a consolidated picture of income and expenditure to determine the overall revenue surplus of deficit during each year of the period in question. As a number of schemes would yield considerable revenue surplus, it should be possible to finance a part of the future capital expenditure out of revenues, thereby reducing the quantum of loan-financing and amortization charges relating to it.

(7) Completion of City Development Plan and its Integration in the State Plan

After a study of the financial feasibility of the programme, needed revisions may be made in the Draft Plan. It may then be discussed with the State Government to confirm the assumptions relating to availability of loans and grants for specific

schemes out of the State funds, and have necessary provisions made in the State Plan in this behalf. Although the estimates of loans, grants, etc. are based on the current financing pattern for each scheme, these will have to be submitted to the State Governments for ensuring availability of funds though incorporation of the schemes in the State Plan. The items of development which should receive priority of consideration in the matter of integration with the State Plan have already been mentioned. The State Local Self-Government Department will have to undertake the responsibility for holding discussions on the City Development Plan with the State Planning and Finance Departments, for necessary allocation of resources by the State Government. If any changes or modifications have to be made in the City Development Plan on the basis of the discussion at the State level, the programme will have to be suitably modified and checked up again regarding its over-all financial feasibility before finalization. It should, however, be understood that there will not be much scope for any major modification of the long-term programme prepared after taking into account the ultimate needs of the city. The programme represents the level of development which has to be reached over a period of say 20 or 30 years. The phasing of this programme and the priorities will, however, have to be suitably modified in the light of the specific provisions that would be available in the State Plans under various heads of development.



PROCEEDINGS OF THE SEMINAR



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March 11, 1968

Welcoming the Minister for Health, Family Planning and Urban Development, *Dr. J. N. Khosla*, Director, Indian Institute of Public Administration said that his Ministry had long been involved in the study and solutions of urban problems, and had been instrumental in setting up the Centre for Training and Research in Municipal Administration at the national level in this Institute. Dr. Khosla went on to say : "It is in the fitness of things that on this occasion, when we are involving for the first time the elected personnel from the municipalities in a seminar like this, that we seek your guidance and counsel.

"The problems which we would be discussing in the course of this seminar are of immense significance in the context of the finalisation of the Fourth Five Year Plan. The concept of 'city development plan' is not altogether new. Area development has been talked of and on, and even been implemented in many countries including this country. Even for the development of cities the Planning Commission had written to the State Governments as far back as 1962, to ask the bigger cities to prepare development plans, for inclusion in the State Plans and finally in the National Plan. It is widely known that municipal plans have not so far been made an integral part of our national planning process. Schemes of development for water supply, drainage and sewage, and urban housing have no doubt benefited the municipal areas, but the needs and requirements of urban areas as a whole have not been considered in a coordinated fashion so far. It is all the more disconcerting in view of the mounting backlog of municipal services and growing pace of urbanisation in the country. Since the Planning Commission asked the State Governments to involve the cities, particularly the bigger cities, in development planning, this theme of city development plan has been taken up

at various conferences, such as the Annual Conference of Mayors of Municipal Corporations and the Annual Conference of the Central Councils of Local Self-Governments. Also the Ministry of Health, Family Planning and Urban Development has been repeatedly reminding the States about the urgency of city development plans. Unfortunately, this important problem has not as yet received the attention it deserves. Planning cannot be exercised for Central and State Governments only. The actual involvement of local bodies is of much crucial importance as this will give the citizens an opportunity to associate themselves more actively in the national endeavour to plan and develop the country. I may remind that there are many problems and issues which are involved in this exercise. The purpose of this Seminar will be more than fulfilled if in the course of deliberations we are able to identify the main obstacles and find out ways to overcome them in order to have proper city planning.

“I am very happy that no less than 26 persons from all over the country responded to our invitation. During the next three days we hope that your deliberations will be fruitful, and you would consider this trip to Delhi having been worthwhile.”

Inaugurating the Seminar, the Minister for Health, Family Planning and Urban Development, *Shri Satya Narain Sinha*, said: “Dr. Khosla, Prof. Mukharji and Friends, I am grateful to the organisers of this Seminar on the Five Year Municipal Development Plans for giving me this opportunity of being with you this morning. This I understand, is the first Seminar organised by the Centre for Training and Research in Municipal Administration bringing together senior non-officials of urban local authorities from different parts of the country to deliberate on a vital subject.

“The urban local bodies have a most important and difficult role to play. They are our principal agencies in the urban areas for bringing to the citizens the benefits of our programmes of education, medical and public health, housing, water supply, sewerage and other civic amenities. They are also eminently suited to mobilise public support and participation in ensuring the prevention and control of communicable diseases and promoting family planning and welfare. Apart from performing these tasks for the convenience and welfare of the citizens,

healthy local self-government helps to build up grass roots of democracy and future national leadership. Strong and efficient local self-governing institutions alone can provide a sound base for our democratic structure.

"Our urban local bodies must be so organised as to provide an effective administrative machinery for catering to the civic requirements of the citizens within a democratic framework. This envisages an efficient and well-trained administrative and technical executive as well as a well-informed body of Councillors oriented to the tasks of Urban Government which are growing more and more complex under the impact of rapid urbanisation.

"It was in pursuance of a decision of Central Council of Local Self-Government and the recommendations of a special committee which submitted its report in 1964, that the Government of India decided to set up this Centre for Municipal Training and Research in collaboration with the Indian Institute of Public Administration. We appreciate the cooperation of the management of the Indian Institute of Public Administration in the organisation of this Centre. There are proposals also for organising State and Regional institutes and a beginning is being made with three centres at Bombay, Lucknow and Calcutta.

"This National Centre for Training and Research in Municipal Administration was started only about a year ago and they have already held courses of training for technical officers and executive officers of municipal authorities. I am glad that they have now organised this Seminar on the specialised subject of municipal Development plans and it is but proper that the focus of the Seminar is on the elected members of the municipal councils because development planning involves matters of policies and priorities in programmes. The process of urban planning and development, no doubt, involves certain expertise and special methods and techniques. Nevertheless, it is up to you Gentlemen, to identify the needs and requirements of your cities and mobilise your resources for improving your towns and providing the citizens with all the facilities of modern living in accordance with the priorities fixed by you.

"The Third Five Year Plan drew pointed attention to the fact that while democratic institutions at the district, block and

Panchayat levels were being actively involved in the process of planning, the urban areas had not been involved in the exercise. It was proposed during the Third Plan period that as many towns and cities as possible and, at any rate, those with a population of one lakh or more, should come into the scheme of planning in an organic way, each city mobilising its own resources and helping to create the conditions for a better life for its citizens. It was in pursuance of this policy that the Planning Commission addressed a letter to the State Governments in August 1962, to get the municipalities and corporations to draw up their Five Year Plans embracing all such programmes of water supply and sanitation, housing and slum clearance, education, medical and health facilities as well as development of communications and other urban utilities. These city development plans were to be coordinated with the State Plans forming their integral part. The response to this request of the Planning Commission was, however, far from encouraging and it was found that even at the stage of formulation of the Fourth Five Year Plan most of the States had not been able to get the Urban Local Bodies to draw up their programme and resource plans and tie them up with the State Plans.

“The LSG Working Group on Fourth Plan, appointed by the Ministry of Health, Family Planning and Urban Development, pointed to the absence of a concrete framework for preparation of city development plans and the need of providing technical guidance to Municipalities and Corporations for preparation of such plans. The Ministry got some model plans prepared through its experts in the Town and Country Planning Organisation. These draft plans were duly circulated. I understand that a note on the methodology of preparation of these plans has been circulated to you at this Seminar and you will have time to consider the matter in some detail.

“I very much hope that your deliberations at this Seminar would not only prompt you to speedy action for undertaking the preparation of city development plans but will help in drawing up concrete guidelines for your sister municipalities and corporations to facilitate early steps being taken by them as well as the State Governments for an integrated approach to rural-urban planning and development.

"The need of advance planning in the case of urban areas is all the greater in view of the rapid growth of our towns and cities. Although only 18 per cent of the total population of India has been classified as urban according to the 1961 census, the 60 millions of urban dwellers in India represent a working force greater than the urban population of any country excepting the United States, the USSR and possibly China. Moreover, our towns and cities are the nerve centres of our political and social-economic activities. Industrialisation and technological change, to which we must turn for attaining higher standards of living and reducing the pressure on land, are bound to lead to greater and greater urbanisation. Our rural outlook is being gradually transformed in physical and human terms into urban modes of living by the expansion of the city and the migration of the rural population to the urban centres in search of employment and better conditions of life. The future happiness, safety and convenience of these vast masses of humanity would depend very much on the steps that you take now for planning your towns and developing and maintaining the municipal services.

"Our financial resources are limited and it may take some time before we can do much to implement the plans. Yet every effort has to be made to enforce the land use plans so as to prevent haphazard and unplanned growth leading to creation of slums and squalor. It is here and also in the matter of mustering public support in raising resources that our local bodies have to play an important role.

"Before I close I will like to enlist your cooperation in a few matters that have been causing some concern to my Ministry. One of them is the need of concerted action for the control and eradication of communicable diseases particularly malaria and smallpox. As you are aware, our National Malaria Eradication Programme which we have been operating for the last nine years has attracted world-wide attention and there is no doubt that we have achieved remarkable success in controlling malaria. But recently we have had some alarming indications of the persistence of malaria in urban areas which is causing a set-back to our progress towards hundred per cent eradication and threatening to undo the success achieved so far. We had relied upon the bigger municipalities and corporations

to undertake anti-larval measures and control mosquito breeding within their own areas but it has been found that this hope has not been fulfilled. I will urge upon you to undertake anti-larval operations and to maintain continuous surveillance in respect of cases of malaria within your cities. Similarly, it is the metropolitan centres and larger cities that continue to report outbreak of smallpox. This is because we are still far from attaining the target of hundred per cent coverage in respect of primary vaccinations. I will request you to undertake house to house verification of families and get the "left-outs" identified and vaccinated.

"The other problem that is threatening to undermine all our efforts of planning and development to ensure higher standard of life for our people is the danger of population explosion. Already we are maintaining 14 per cent of the world population with only 2.4 per cent of its area. The existing population is increasing at the rate of 13 million people every year which is equivalent to the total population of Australia. We are already over 500 million people and unless we are able to achieve our target of reducing the birth rate from 41 per thousand to 25 within the next 8 or 10 years we shall have a population of a thousand millions by the early nineties. You can help in achieving this national objective of reducing the birth rate by providing the Family Planning services and using your existing hospitals, dispensaries and maternity homes for furthering the programme of Family Planning, holding orientation camps and popularising Family Planning methods and techniques. Government of India is extending full financial support with a hundred per cent grant for various grades of local bodies.

"I am sure, that you will make full use of the opportunities offered by this Seminar and I hope that the Centre for Municipal Training and Research will organise more Seminars in the near future on specialised problems concerning municipal organisation and problems of urban development. With these words I have great pleasure in inaugurating this Seminar on Five Year Municipal Development Plans."

Prof. G. Mukharji, Director (Centre for Training and Research in Municipal Administration) thanked Shri Satya Narain Sinha for inaugurating the Seminar and for his illuminating address. He added :

"I am happy over one thing that is that the Ministry of Health and Family Planning is also now the Ministry of Urban Development, as, indeed, it should have been all these years. It is also very exciting to know that even though local self-government is a State subject, the Ministry of Health at the Centre is taking great interest in developing these institutions in the country, and they have gone out of their way in rendering assistance in the matter. The Central Council of Local self-government, ever since it was established in 1954, has always urged upon the State Governments to pay more attention to the problems urban local self-governments have been facing. Although the Central Government is not directly responsible, yet it has now come up with financial and other kind of help for the creation of a National and the Regional Centres for Municipal Administration, and I do hope that you, Sir, will continue to extend all help that you have given in the past. It was this ministry also which set up the Rural-Urban Relationship Committee, which did a good deal of work and emphasized the need for proper planning and urban development in the total national picture. I hope that the State Governments and the local bodies will realise the importance that the subject deserves."

DR. J. N. KHOSLA IN CHAIR

After the coffee break the Chairman said : "As you have noticed from the programme, this morning's main speaker is Shri Govind Narain, Secretary to the Government of India in the Ministry of Health, Family Planning and Urban Development. He has had a long and distinguished carrier as a civil servant. I am sure you would like to listen to him. May I request Shri Govind Narain to deliver his address.

Taking the floor *Shri Govind Narain* said : "Dr. Khosla, Prof. Mukharji and Friends : I indeed consider it a great privilege to be called upon to participate in this Seminar and to initiate the opening discussion on Five Year Municipal Development Plans. After listening to Dr. Khosla's eulogies I am feeling somewhat different whether I will be able to fulfil the high expectations. All the same I will try to do my best.

"As an excuse for my performance I will like to say in advance that the subject of urban development has recently been transferred to this Ministry and, may be, much of what I am going to talk to you will be based on some general knowledge of the problem, than on the specific activities of the Ministry. But the subject is indeed one with which I had been associated in the past as the Planning Secretary in Uttar Pradesh. At that time the bulk of the planning was concerned with rural areas. Nevertheless, the problems, methods and techniques of planning are more or less similar and I am sure that on the basis of the agenda papers and some of my ideas, I am going to place before you, it will be possible to have some fruitful discussions. I am indeed grateful to the Institute of Public Administration for giving me this opportunity.

"Planning has become so much a part of our national life that it does not seem necessary for me to start with the fundamentals or with its basic elements. But let us state this morning the implications and objectives of planning in simple language. When there is a firm determination to maintain a steady and sustained pace of progress and development in

the midst of limited resources and large number of pressing needs and demands, the preparation of a suitably phased and practical programme of work, which in the circumstances is the only sensible method available, is signified by the process of planning. This is how I put the definition of planning. On the one hand you are confronted with a situation that you have so many problems; so many needs, so many demands, so many aspirations and expectations of the people; on the other hand your resources of men, money and material are the limited variables. You want to do so many things, but you do not have the wherewithal to do them. So you have to do it in a phased programme. You have to determine the priorities within the limited means available, and do this in the order that gives satisfaction to the people and yet meet the needs of development. At the same time, with the proper development of the limited resources it has to be ensured that the resources go on multiplying. This is another essential feature of the process of planning. You find that your resources are not abundant and you have, therefore, to deploy them so that you go on augmenting them in the process of implementation of the various works to which you attach some priority.

“Now this is a sort of situation in which we find ourselves after Independence. The foreign government that we had, had its own ideas and objective and its own definite priorities. But the National Government had to think in terms of the peoples’ needs, peoples’ programmes, peoples’ demands, and the Government having been formed by the peoples’ representative, naturally thought of what we must do in the circumstances. There was a terrible shortage of trained manpower, of financial resources and also of the various materials required for the implementation of the Plans; and the peoples’ Government has also to think in terms of a multi-directional advance in chalking out its programmes for the country. On the one hand the economic side had to be looked after; there had to be agricultural development, industrial development, development of transport, irrigation and power; and at the same time there also had to be the development of the welfare activities of the people which undoubtedly affect their well-being, e.g., the overall programmes of health, family planning, medical care.

communicable diseases and water supply and sanitation, etc., of education, housing, social welfare and the like.

"The process of planning was to ensure a balance between economic development and welfare. As I said, with the limited resources at our disposal we had to deploy them in such a manner that while the minimum essential needs of the people were met, the resources were so deployed that they were to build up the economy and to augment the State revenues. The State would then not find it difficult to provide more resources in future for catering to the larger number of needs and demands of the people. This sort of a process we initiated after Independence. The country adopted this strategy of Planning, which I have tried to spell out in a simple language, through the successive Five Year Plans. We have just completed the Third Five Year Plan. The beginning of the Fourth Plan, as you all know, has been slightly postponed. It now begins from the year 1969-70. During the interim years we are going ahead on the basis of the Annual Plans.

"In this overall context let us come back to our immediate subject. Urban and regional development, unfortunately, did not find any place in our thinking in the First Five Year Plan. It was completely ignored and some thinking on the subject started in our Second Five Year Plan. At that time two or three principles were enunciated. Firstly, the Second Plan emphasised the need for conceiving housing as an integrated part of urban planning in the context of urbanisation and industrial development. The second principle accepted was that it emphasised that a long term plan of industrial development, transport, etc., should be drawn up and inter-linked with physical plans based upon study of urban-rural regions, viewing each region as an area for integrated local planning. Thirdly, some specific programmes for regulating urban development in the Second Five Year Plan were suggested, such as, preparation of the Master Plans for big cities like Delhi, Bombay, Madras, Calcutta, Allahabad, Kanpur, Poona, etc.; regional plans for newly developing industrial towns; survey of resources, development needs and potentialities in river valley areas, such as Damodar Valley, Hirakud and Chambal; initiation of town and country planning legislation in all States and setting up necessary machinery for its

implementation. This was the policy outlined in the Second Five Year Plan. A beginning was made with the Delhi Master Plan and the constitution of the Delhi Development Authority. Plans for metropolitan cities like Calcutta, Bombay, were also initiated and some surveys were started for the Damodar Valley region. Nevertheless, as you will notice, the real planning for the city urban areas was yet to begin.

“Then we came to the Third Five Year Plan. Some of the important principles I might enumerate. It outlined more concerted measures for urban and regional development and the establishment of new industries away from large and congested cities. This was one of the major steps. New industries need not be put up in the existing big cities but elsewhere. In the planning of cities the concept of region was to be adopted. In community development projects or other areas within a district, the rural and urban components of development were to form part of one composite plan for strengthening the social interdependence of areas. This was no doubt another sound principle. An effort was to be made to diversify the capital investment pattern in the rural areas. The Third Plan also recognised the problems relating to high cost of urban development and soaring urban land values and went on to suggest specific measures to check speculation in land and to reduce cost of urban development. This is a practical problem of urban development programme. Some policy outlines were also developed in respect of planning of State capitals, rapidly growing cities and industrial centres, preparation and implementation of regional development plans, and launching of a programme of urban community development facilities. These programmes were to be taken up on a very limited scale and some money was provided in the Plan. That, in brief, sums up the thinking that went on in this country in respect of urban areas during the successive Plan periods.

“The ideas as developed in the Third Plan were further outlined in a communication of the Planning Commission to which the Minister for Health, Family Planning and Urban Development made a reference this morning. That was the letter of August 1962, in which for the first time they put forward this idea of formulation of composite city development

plans for the urban areas and their integration with the State Plans, making them a part and parcel of the overall national planning process. This idea unfortunately has not grown so far. This aspect, I think, should be highlighted and ways and means found to make a sound beginning. Let us hope this Seminar will be able to contribute amply towards the realization of this goal.

“Let us now consider some of the problems of the urban areas. Between 1901 and 1961 the rate of growth of urban population in this country was almost 4 times the rate of growth of the overall population. As you know the overall population itself is growing at a fast rate, but the growth rate in the urban areas was 4 times. We have at present about 20 per cent of the population living in the urban areas. But this urban population is growing fast and it is estimated that by 1980 the proportion of urban population may exceed 30 per cent of the overall population. This factor again we have to take into account in planning for urban development.

“Another important feature of urbanisation during 1951 to 1961 has been that the big cities and metropolitan centres are growing much faster. This is an important factor to consider. Urban population is growing fast but even among the urban areas the rate of growth in bigger towns is much higher than in the smaller towns. Two-thirds of the total increase in urban population during the decade has been in the bigger towns, *i.e.*, towns of the size of one lakh population or over. Out of 2700 towns, according to the Census of 1961, there were 107 cities which have population of one lakh or over and between them they hold about half the total urban population. Of the 107 cities, we have 7 cities which have a population of over a million and 5 more which have a population of over half a million. The rate of growth in these 12 cities has also been higher than the rate of growth in the other cities above one lakh. This is the natural outcome of excessive concentration of industries in the large cities and metropolitan areas. This is another factor that deserves your attention. The concentration of employment opportunities in major cities has resulted in a lot of migration of population from rural to these big urban areas. Now what has been the consequences of these trends that we have

witnessed? One of the consequences of this excessive migration has been that the growing influx into urban areas is accompanied by growing volume of unemployment and under-employment. The second emerging factor is a growing shortage of housing accommodation. It has been calculated that in the sector of urban housing at the beginning of the Third Five Year Plan there was a backlog of 5 million houses, and during the plan period the urban population is estimated to have increased by 16 million by the beginning of 1966, which implies an additional need of 4 million houses. In addition we have to provide houses for replacement of slums which are very much there and which continue to multiply presenting a growing problem. Shortage of housing is adding to density and congestion in these big cities. The densities in central parts of most Indian cities have reached fantastic dimensions. The third consequence is the growing traffic and transport bottleneck. Everywhere you find big queues—people want to go to their work and they are waiting but there is no quick and cheap transport available.

“Water supply and drainage is another instance of deficiency in public utilities and we have become more deficient on account of the trends that we have witnessed. It is estimated that 50 per cent of the urban population has a safe water supply or 30 per cent of the total number of towns have water works but in most of these towns the per capita supply is hardly adequate. As far as sewage facilities are concerned, about 75 per cent of the urban population is without sewerage facilities. We are still having insanitary service latrines in most of our towns and cities. Somebody calculated on a rough basis that if all this backlog is to be cleared, we will need over a thousand crores of rupees. Such is the size of the problem of water supply and drainage. If we think of its size alone, we would be frustrated. Let us, therefore, work out a plan about the manner in which we are going to solve it.

“The situation about the provision of routine municipal services is hardly encouraging. Fifty per cent of the urban local bodies whose expenditure pattern was studied by the Rural-Urban Relationship Committee, it was found, spent barely Re. 1 per capita per year on public health. Now you can understand the extent of the work they could have done with such meagre

outlay. The same is true about the provision of recreational facilities or open spaces. An estimate made for cities like Bombay and Calcutta shows a provision of less than $\frac{1}{2}$ acre per thousand of population as against the standard requirement of 4 acres per thousand. Education again is another problem. The urban local authorities have been unable to provide educational facilities for the growing number of children. The expenditure on primary schools and the secondary schools, to say nothing of higher institutions, is just beyond the competence of these local bodies. Their backlog is increasing in all fields and no attempt is made to build up resources for provision of these facilities.

"An important matter, so relevant to the fast expanding urban situation, is the phenomenon of haphazard growth and uncontrolled land use in the absence of advance planning. There are no priorities on which land use must be regulated. The surrounding areas just outside the jurisdiction of the urban body are also growing very haphazardly in a chaotic manner. If you think of the future, 20 years hence, these areas will ultimately become the responsibility of local bodies. Under the circumstances some thought has to be given to the development of these surrounding areas right from now. I have already mentioned what the projection for the overall population will be. The urban population will grow much faster and shall be about 30 per cent of the total population by 1981. We will be adding by then 65 to 70 million to the urban population and so the immensity of the problem must awaken us.

"As indicated earlier, the Planning Commission wrote a letter to the State Governments in August 1962, in which they had pointed out the urgent need to draw the urban areas and urban communities into the scheme of national planning in an organic manner and suggested to the State Governments that, to begin with, cities and towns with a population of one lakh or more and especially those with Municipal Corporations might be invited to prepare City Development Plans. In the next phase as many towns and cities as possible were to be brought into the scheme of national planning. The Commission desired the City Development Plans to be linked up with the State Five Year Plans so that items of urban development could be incorporated into the State plans and form their integral part for

all purposes. While the initiative of the Planning Commission was most welcome, it was for the Municipal Corporations and State Governments to undertake to draw up such plans. But on account of so many limitations it appears that nobody has been able to take a bold step forward. There appears to be an atmosphere of diffidence. Somebody has to take the initiative and I have no doubt that the first step has to be taken by the local bodies. The Planning Commission's idea may only be tentative but the local bodies can take a clue from it and force the pace for urban development. You have to make a study of the present state of affairs; what is the state of sanitation of your area, of educational facilities and other services like, electricity, water supply, transport and communications. Now this is the short of an assessment you have to make and then in relation to the resources you have to draw up the schemes not only to meet the present requirements but keeping in view the growing future requirements of the population. This is the kind of perspective plan which has been suggested to the local bodies.

“The prerequisites for systematic planning are the identification of needs, survey of resources and mobilization and formulation of field programme for achieving the high objectives with the necessary priorities in the light of needs and resources. As I have said in the beginning, when you have made this assessment, you will find that the task is immense. There is so much to be done but when you calculate the resources they are meagre. You have, therefore, to plan to determine your priorities and to prepare a practical feasible phased programme of action that you can begin from the first year and go ahead. This exercise involves major policy decisions to form the basis of a plan of action. It is the elected council members here that must provide the leadership, not only in policy making but in building up public support and its mobilisation. Many of the elected members fear that they will not get the support from the public. But I would humbly submit that if the objectives are explained; if what you plan today is set out properly; and if you have prepared reasonably a realistic programme for the future; I am positive in my mind that it will help to generate a volume of public enthusiasm and lots of people will give the support that you need for making

more resources available for this very desirable objective.

"Now we come to this idea of the city development plans. These plans have to be linked up with the future projection of the population of your towns in the light of the growth potential. Such a plan has two important aspects which are quite distinct. Firstly, there is the preparation of the physical plan for land use and communications popularly called the City Master Plan according to which the future expansion of the city has to be regulated. This haphazard growth will not only be more costly later on and will involve lot of difficulties but the problems will also become more baffling. The second important aspect is the preparation of phased plan for the programmes of public health, education, housing, slum clearance and urban development and their implementation.

"The plan must take into account the requirements of the growing cities beyond the existing municipal boundaries. There is tendency among the Municipal Authorities to confine their thinking to existing municipal living areas only. The surrounding areas may have to be ultimately included and then the process of urban development becomes expensive. There is need to identify the city region and prepare a Master Plan for such urbanisable area. Master Plans for a city region, therefore, have to cover areas that may lie under the main nucleus city as well as the surrounding rural areas. This will require the creation of special authorities to take care of this kind of growth and controlling and regulating development. For the preparation of this Master Plan the Government of India have been giving technical guidance and hundred per cent assistance. More than 70 major towns and cities have undertaken this work and interim development plans and Master Plans have been prepared or are under preparation. The Draft Fourth Plan provides for extension of this scheme to towns with population down to 50,000.

"It is necessary that future programmes of urban development and expansion of public health, education, housing, etc., be linked up with the Master Plan. Let us consider this aspect of urban development to enable the present and future citizens to undertake social and sectoral programmes as well as productive activities. Urban development includes development of water supply, roads and communications, land acquisition

and development for residential, commercial and industrial purposes. This must also include housing, both for the future migrants as well as for replacement of slums. We must draw up a phased programme for expansion of educational, medical and health facilities including maternity and child welfare and family planning.

"One of the very ticklish problems is of the ways and means of financing various programmes. The identification and capitalization of resources is an important part of any process of planning. It should be noted that a major part of urban development plans involves capital investment which is self-liquidating. Nevertheless, there are a number of services such as educational and public health facilities that have got to be financed from revenue resources. The urban local authorities, therefore, can secure necessary resources by developing their local revenues for which there is considerable scope. The vast majority of the local authorities have a per capita income of less than Rs. 10 per annum, while there are a number of Municipalities and Corporations which have a per capita income of Rs. 30 or over. Bombay has a per capita income exceeding Rs. 50. This shows that there is considerable scope for exploiting these sources. The measure may not naturally be very welcome. But when you explain your programme, there will be very considerable scope for exploiting this source. Efforts should be made to raise loans from the local people and from such agencies as the Life Insurance Corporation (L.I.C.) for financing self-paying urban development projects. The capacity of any local body to raise such loans will depend on the management of its finances and on its success in mobilising its revenues as mentioned above.

"When you conceive of the immensity of the problem and limited resources the problem may seem unmanageable. But if you do some more thinking and try to do all that can be done at your level; create public support and enthusiasm, increase your revenue, prepare the machinery which will be able to make the best use of such revenue, inspire confidence among people and institutions who can give you loans and grants, you will find that you can do quite a lot. Moreover, there are considerable grants, loans and subsidies available under the various schemes of the Central and State Governments.

The Five Year Plans have made *ad hoc* allocations for slum clearance, night shelters, low income housing, land acquisition, problems of public health, maternity, child health and medical facilities, adult literacy, primary and secondary education and vocational training. For all these there are schemes and there is money, if you can tap these sources. In a number of cases, funds have been made available to the local authorities wherever there has been a certain amount of initiative and advance planning. Generally local bodies have failed to take advantage as they have little knowledge of the plan provision, and there is a lack of planning consciousness. The provisions available are not always adequate. Nevertheless, it has been found that even the limited provisions for water supply, drainage, housing and slum clearance have not been fully utilized. Considerable funds have lapsed. The absence of city development has also resulted in the relative unawareness on the part of State Government in giving adequate attention to the requirements of local bodies in the state Plans. Local governments are also inclined to ignore them. It has been found that even when some provisions are made, they are diverted to other schemes. Uniform priorities for urban development can be made to crystallise only through systematic process of planning by the urban local bodies themselves. It is only when such plans are available and they are integrated with the State Plans that the State and National Plan will be able to reflect the requirements of urban development and make provision for capital needs and financing for various projects.

“The Rural-Urban Relationship Committee have suggested that there should be a Municipal Finance Commission which should examine the financial requirements for water supply, sanitation, health and other obligatory services, etc. These requirements should be considered along with the State Plans and State Governments can also include the financial obligations in respect of urban local bodies in their calculations while they approach the Planning Commission or the Finance Commission for allocation of plan and non-plan expenditure. This can, however, only be possible if the urban local bodies themselves undergo the exercise of preparing their own plans and mobilising their own resources to attract sufficient credit for financing their projects.

“Now this is the sort of thing we have to do. There is also another aspect which may be mentioned to you. How can the leadership be taken up by the local bodies and how can you start the work with your plans of operation? I have just placed before you these ideas so that you can know how things are running. Local bodies are important units to help achieve decentralised development of political power and promote democratic elements. The main question is the creation of conditions in which the migration to the cities can be stabilised and absorbed and proper conditions created for social and economic development. You can then take up the industrialisation of urban areas and make programmes for the upliftment of the poorer and weaker sections of the people. This is what the local bodies have to do. We have a common planning apparatus, but, as I have said, the first initiative has to come from the local bodies themselves. In conclusion let me say that the task is huge. I have outlined the process in terms of what can be done by the local bodies, and we all have to make determined beginning right now to see that whatever is possible can be done. Well these in brief are my views which I wanted to place before you. Thank you.”

Taking the floor the Chairman said : “Thank you very much, Shri Govind Narain. You have given a very comprehensive address. In fact, it covers all the points that would be discussed during the next three days. It is thought-provoking and the analysis that has been given comes from your long experience in these fields, and I am sure, the discussions here should enable us to come to some kind of a consensus which might be useful for all those who are engaged in urban development. The subject is open for discussion now.”

A participant said : “At the outset I should express my deep appreciation for the enlightened address given by Shri Govind Narain. It is, indeed, a matter of much appreciation to a member like me who had the privilege to serve the Municipal Corporation of Delhi for the first time and, obviously, unless and until one is armed with the full facts and background, it is very difficult to put forward some concrete proposals. I fully appreciate his learned views that in the wake of growing population the problems are quite large. And to overcome those problems we have to tap all possible resources and efforts. My experience

during the last 9 months is that a number of committees are set up, many deliberations are held, but unfortunately the deliberations arrived at are not implemented and that is the customary problem. As Shri Narain very correctly pointed out that the Planning Commission's letter was circulated in 1962, but to the best of my knowledge, no follow-up action was taken, and the result is that nothing has been done.

"We have set up different committees in the Municipal Corporation of Delhi. Similarly, I feel that other cities have also set up many committees and their function is to study the problems, tap the resources and do everything possible to overcome these difficulties. But, unfortunately, there is a complete lack of coordination. For instance, there was an understanding that under the Five Year Plans the loans advanced for the construction of roads by the Corporation would be re-imbursed in their entirety by the Central Government; and our record says that Rs. 2 crores and 60 lakhs were spent by the Corporation and now that amount is not forthcoming from the Centre. Similarly, with regard to slum clearance there was a clear understanding with the Central Government that 60 per cent or 70 per cent of the amount spent will be paid to us by them, but this amount is not forthcoming. What I wish to impress is that whatever decisions are taken by the Seminar, the overall object will not be fulfilled unless and until there is complete coordination. There is the Delhi Development Authority; there is Central Government; there is the Municipal Corporation and other bodies. There are certain things for which one department should be made accountable, but the responsibility is shifted from one department to the other, and in this utter confusion the problem is not solved. Take for example the Jhuggi-Jhompri scheme—some part is played by the Corporation, some by the Delhi Development Authority and some by the Central Government. So in this way they are entailing delay, and it is very difficult to have complete hold over the situation.

"I would like to make two suggestions : first of all, as Shri Govind Narain pointed out, let us appoint a Development-Plan Body of the Corporation about which reference was made in the letter of the Planning Commission, and this should be the supreme body. Of course, the representatives of the Central Government and other organisations should also join this body

and it should prepare a Master Plan. And my second suggestion is that it will be much better if the Corporation gets in touch with the local bodies of other States. It is very necessary if we have some knowledge as to how the problems are being solved by our other associates in their respective areas. We can get some advantage from their experiences as they can derive some advantage from us. Thank you."

Another participant was of the view that, "despite the earnest desire of the local bodies for their development, nothing can be done unless there is full cooperation from the State and Central Government and unless there is a certain specific provision in the annual budget of the State and Central Governments to extend financial aid to the local bodies." He further pointed out that "the sanitary conditions in capital cities are very bad, but they cannot improve them from their own resources. Take the case of Delhi where over a lakh of people come in and go out every day. The Municipal Corporation is required to provide all the basic amenities to the people who are in Delhi. The Corporation alone, with its meagre resources, cannot provide these basic amenities. I have heard the views of others but one thing I would like to stress is that nothing can be done unless the Government is in a position to extend the financial support to the local bodies. I have visited certain places where the local panchayats, in the small towns, want to have all these facilities within their resources but due to their limited revenue they cannot do anything. The tax-payers alone cannot pay for them. It can only be done if there is specific aid from the Government."

The next participant opined : "Mr. Chairman and friends, I am from a small Corporation which came into existence in 1966. We have different schemes of water supply, distribution of electricity and slum clearance projects. We have been paying by way of interest, in instalments, to the tune of Rs. 61 lakhs per year. The Municipal Corporation finds it difficult to pay this amount every year. It is, therefore, time that the Governments—Central and State, come to the rescue of these Corporations to finance the projects. Unfortunately, the State Governments also enter in the field of taxation which are exclusively meant for the local bodies; and the local bodies find it difficult to raise sufficient resources for their projects and are

put to a disadvantage."

Illustrating his point he said : "The small entertainment tax that used to be the source of revenue of the local authority, has been taken away by the State Government. As my friend rightly said that unless and until we are assisted by the Central and State Governments, we should not talk in terms of development. No, we do not want that mercy. We certainly need the blessings. We want to develop the local bodies' area out of our own resources. But we do not want the Government to tread our path. The Government should not look upon the Corporations and the Municipalities as organisations under their thumb. The State Government wants that we should pay the market price of the land. Why it wants so? The Central Government buildings have not been taxed. The Government wants us to pay the value of the market rate but they do not want that their buildings should be taxed. There are a few points I want to tell. How can a local body thrive when such are the conditions? The Government does not want that the Municipal bodies should be left to exercise their own rights. These steps taken by the Government come in the way of the development of the city. At least these things should be stopped and then we can think about the development plans. If rent control exists for people, it should also exist for Government and for the local bodies. There should not be any distinction. The Government will realise the hardship then alone. The Industrial Disputes Act is applicable to local bodies but it is not applicable to the Central or State Government employees. I want that it should also be applicable to all Government employees. If you make a distinction between local government and the state government, I think we should forget about the local self-government and, therefore, I want this august body to give us a status—put us on the map of the government—and not treat us as a toy government, or government only in name. And if you can raise our status then alone we can think of development."

At this stage the Chairman announced : "As the Health Secretary has to leave very shortly, I would request him to give some of his supplementary remarks in the light of what has already been stated, and after that we will continue with the deliberations."

Thanking the Chair, the Health Secretary said : "I am grateful to the distinguished representatives of the various local administrations for having given their views. Undoubtedly the problems are real, and I would not like to oversimplify them. I would, however, submit most humbly that the method outlined by me was the one to take care of these baffling problems. The initiative for preparing a composite and integrated plan must be taken by local bodies. Once that is done, the next step would be the earmarking of responsibilities. All implementation, perhaps, would not lie in the hands of local bodies themselves. Some part will be implemented by the State Governments and some part by the Central Government. But the preliminary step is to draw an overall composite plan of action; and once that is done, then, of course, in consultation with the representatives of the Central and State Governments, the responsibilities can be earmarked that so much will be done by the Corporation or the municipal bodies or by the State or Central Governments. Once this composite and integrated plan is made out and discussed with the State Government, it becomes an integral part of the State Plan; then in the discussion with the Planning Commission and of the Central Ministry, there will be a pattern of financial involvement. The financial resources of the Central Government are not unlimited. The Central Government has also to raise its resources by way of taxing the people. There is no other way. Therefore, in the overall resource position of the Central Government also there will have to be a line of priorities. I am sure the distinguished representatives of the urban local bodies will agree that this process must begin at home and to the extent possible the urban bodies also must improve their resource position. The second step would be to give assurance to the people in general and to various experts that utilisation of these resources is in accordance with some proper plan, proper objectives, proper assessment. That will inspire confidence in all bodies, whether governmental or non-governmental. And once the city development plan has become a part and parcel of the State Plan and National Plan, as I said earlier, the commitment will be there.

"One of the points that has been raised by a participant here about the taxation of government property, I would like

to clarify. Well the Government has accepted the principle of compensating the local bodies in respect of taxation on government properties to the extent of 75 per cent of the loan. This applies to the Central Government property. The State Government property is not covered by this proposal. There is a proposal under consideration that the government commercial undertakings would be required to pay taxes in full. That is under study, and probably very soon some concrete steps will be taken in that direction so that the burden of providing civic amenities to commercial undertakings of the government will be adequately compensated and there will be a provision of funds. This will be taken care of. I do realise the difficulties, both at the level of the local bodies and the Central and State Governments. But it involves in the dialogue the Central Government, the State Government, etc. Then a vicious circle is created. I hope that this seminar will be able to create a proper climate for it. Thank you very much."

Taking the floor another participant said : "Mr. Chairman, I am grateful that this seminar has taken place and members of the local bodies have been invited to participate in it. The address by the Health Secretary has been very comprehensive, and I feel that the principles underlying are very useful; but when we compare the objectives, the guiding principles framing the implementation of the plans, I find that there is no unity between these principles and practices, and that is why our problems remain unsolved. We talk in beautiful phrases, in beautiful concepts but when we go into action, the personal whims of the people affect the implementation of the plan.

"Mr. Chairman, I am a member of the Delhi Municipal Corporation for a long time, and before that I have been a social worker in Delhi, and I know the hopeless conditions in which the people are living in slums. Delhi has 574 square miles of area. Our general budget is Rs. 20 crores with a population of 32 lakhs which gives a per capita taxation of Rs. 60 which is perhaps the highest in India. With all this we are not in a position to solve even the fringe of our problems. The reason is the over-increasing population that we are having. In 1941, the population of Delhi was 7 lakhs. Today we have got 32 lakhs. It has been accepted by everybody that about a lakh of people come to Delhi each year to earn their livelihood.

With one lakh of people coming to Delhi yearly, we require 20,000 dwelling units to accommodate them. If we look to our construction programme, we find during the last five years we have built not more than 12 thousand dwelling units, whereas we should have done one lakh units. Can Delhi Municipal Corporation be called upon to make houses for them? It is the responsibility of the Delhi Development Authority (D.D.A.). It is in charge of implementing the Master Plan. What has it done during the last five years? Mr. Chairman, you perhaps know, but my colleagues from other municipal corporations may not be knowing that 60 thousand acres of land were frozen by the D.D.A. in 1958 with the ostensible object of checking the rise in land prices. It was Rs. 10 to 15 per sq. yard at that time. During these last 10 to 12 years, after freezing so much of land, the price has soared to Rs. 100, 150, 250 or even 400 per sq. yard. Who is responsible for this sort of affairs? What have our planners, the D.D.A., the Health Ministry been doing? In the guise of controlling the prices, the price has risen so much. Can a common man build a house today? If he wants 100 sq. yards—under the Master Plan minimum should be 125 sq. yards—and if he has to pay something like Rs. 250 per sq. yard as price of land, he will be paying about Rs. 40,000 for land price alone and he must require another 40-50 thousand for construction. That means a lakh of rupees for this small house. Can a common man manage all this?

“We say that Delhi is a prosperous city with a per capita income of Rs. 800-900.* That comes to about Rs. 75 per month. But in Delhi an ordinary flat cannot be hired for less than Rs. 250 per month. What can a poor man do about it? I want to ask the master planners, the D.D.A. and the Health Ministry people who are here as to why have we located industries at Najafgarh, Badli, Shahdara, Okhla, and all along Delhi. On one side you want that the industry should not be there. On the other side you are giving licences and allowing the industries to establish. With industry the people flow in and then there is need for housing, transport, etc. You do not have proper transport but still you want industries to grow. In the Master

* In 1955, the per capita income of Delhi was estimated at Rs. 690 at current prices.

Plan it was envisaged that government offices be shifted from Delhi? Has a single office been shifted from Delhi? On the other hand more big office buildings like Rail Bhavan, Nirman Bhavan, etc., have come up. How can the municipal corporation go on raising resources for providing water, transport and other facilities when the city is increasing? It is for the Government to say that the industries will not be here, big government offices will not be here. Mr. Chairman—now there is a fad of removing jhuggi-jhompri. Only yesterday and day before yesterday, 20,000 people have been thrown out of their habitation to far off places. What will they do? Nobody has planned for them, because they are poor people. They have nothing to eat, no roof, no sanitation, and this is happening in Delhi—the capital of India. There are people who do not have even 10 sq. yards of space and people are living in 10-acre kothis. Where is the socialist state? Has anybody a right in Delhi to build a big house? If on the 60 thousand acres of land, which has been frozen by the D.D.A. houses were made, more than the total population of Delhi would have been covered. But nothing tangible has been done so far. Out of 60 thousand acres, only 28,000 acres have been really acquired. It is only under notification. What to say of providing amenities?"

Citing an example of area planning the speaker said : "Ramakrishnapuram is a colony of 3,50,000 people. It has been recently built by the Government of India at a huge cost, and what is the condition there? You do not have housing facilities even for one service personnel. There is no cobbler, there is no washerman, there is no carpenter, there is no vegetable vendor. With the result that if a person has to repair his shoes he has to travel 8 miles. On the other hand, in Civil Lines we had beautiful bungalows. In the out houses these service personnel used to live. In each locality we used to have shops. But we do not want this now. We want 'Babus' to live separately, 'aristocrats' to live separately, and 'shopkeepers' to live separately. Why can't we have an integrated living? It would provide employment and it would also provide service for those who are in need of service. I will suggest Mr. Chairman, that before we disperse from here, we should pass a resolution that such paper plans will serve no purpose. They

are waste of government money of which we councillors are the trustees."

The Chairman pointed out : "The purpose of the seminar is not to make recommendations. I agree with you entirely that our discussion should be realistic. We should really come to grips with the problem and, I think, the purpose is to discuss these points in order to clarify our own ideas about them, to find out what are the obstacles, and I can assure you that this Institute is engaged on research, and whatever you say here would be of immense help to us in our research studies, and also provide us sufficient materials for training some of your officials."

A participant from Asansol narrated his experiences and said : "The major difficulty we face in our municipality is the water scarcity. We have paid Rs. one lakh as fare of truck for bringing water to our people during the last one year. And this long-standing water scarcity could not be solved uptill now because of lack of coordination and proper finance and support from the State and Central Governments. Asansol is not a corporation or a big metropolitan city like Calcutta, Bombay or Delhi, but it has its importance being a coal mine area, and I am sorry to state that so far the Central or the State Governments have done nothing for the development of any other towns in West Bengal except Calcutta. If we cannot supply water to our people in this municipal area of Asansol, the whole activity of coal raising and steel production will be greatly hampered, which will ultimately result in national loss."

Pointing out the difficulties of Asansol municipality, the participant said: "One-third of the Municipal area has been occupied by the Railways, and the Railways are paying only 7 per cent tax on that holding. That means, suppose in a year our revenue is Rs. 34 lakhs, then out of this the railways should pay at least 11 lakhs and a few thousand rupees being the occupier of one-third of the area of Asansol municipality. But I am sorry to say that they are paying only one lakh of rupees. That means such an unequal burden and discrimination on the private owners. Two-third of the area is paying 33 lakhs and one-third of the area is paying one lakh. Not only that, compulsory and free primary education is a solemn pledge enunciated by the Constitution, which we must provide all

over the country. We have introduced the 2 per cent education cess but the Railway authorities have refused to pay it. We have a concrete plan for free and compulsory primary education throughout the municipal area and we are doing that under the State Government statute. Therefore, the talk that the Central Government is always eager and willing to help the municipal authorities to implement their developmental plans, may not be correct in action. Asansol has a great employment potentiality being a coal mine area. Nearly one lakh coal miners and about one lakh industrial workers are working in the factories around the town. The town has got an additional charm of being a statutory rationed area. Thus, when there was famine in Bihar and Eastern U.P. for months, about 50,000 people entered the municipal area of Asansol and had their ration cards made. The Municipal area had the extra burden of providing them sanitation, water supply and other basic amenities. But we did not get anything from them by way of taxes. Sir, one other difficulty is that we have to work with an inefficient body of staff as the municipal pay scales are very low and you can hardly expect an efficient and educated employee to work on those pay scales."

The next participant said: "I thank the organisers of the seminar and suggest that this may become an annual affair so that all the municipalities and corporations may have a contact with this Institute. We know that the Centre and State Governments have got their own difficulties about finances, and it will be very difficult for us to accept anything like doles, loans and grants, and we will not be using our time properly in the seminar if we criticise each other like this. Therefore, I suggest that we discuss what we can do within the limited means and resources and how we can improve our finances. The local bodies have been created under legislative Acts. Whatever taxes are imposed, these are in accordance with the Acts and we cannot do anything more. In the municipalities and corporations taxes have reached the saturation point and it is difficult to raise them further. How to improve and use in a better way the available resources, is the question before us? I have got a concrete proposal. Many corporations and municipalities take buildings on rents for the use of schools, hospitals and their staff. Is it not proper for us that we set 10 per cent of our

income for our own use ? The land is under the control of the municipality, and if only we approach the Government to give this land to us, we can set apart 10 per cent of our income to construct godowns and shops so that our income keeps on increasing year by year. I know the income of the municipalities and corporations to some extent is from the markets and shops. The Guntur and Vijayawada municipalities have constructed their own shops and they are increasing their incomes. We let them out on auction basis or give them on lease. I earnestly submit this proposal for the consideration of the house."

The Chairman thanked the speakers for making a valuable contribution and pointed out : "We have got to prepare the plans. We have to think in terms of what are our resources; what is the minimum essential needed; what should be the priorities; what is going to be the long-term planning, and so on. Naturally, the municipalities must look to Government, whether Central or State, for increased finances. It is absolutely essential. This increase in urbanisation is not merely a municipal problem. It is a national problem. I have been attending a number of meetings of the various committees, and when anybody says that our administration has to be rural-oriented, I do not quite agree with it. I agree that a large number of people are living in the rural areas, but it will be a folly to forget that our urban population is increasing. That is the pattern of the whole world. As industrialisation grows, urbanisation also grows. If we do not look to the problem, we will be only multiplying slums in the country. I cannot agree with those who think that the heart of the country lies in the villages, and, therefore, they should receive the utmost attention. If you really want to strengthen the heart of India, let us provide better facilities for the new centres of population like large towns or satellite towns which can draw the unemployed and under-employed from the rural areas. We have too heavy a burden on our land already. So far as land use is concerned, I must say the problem is rather complex and there are a number of authorities and there is confusion. Now let us break for lunch."

AFTERNOON SESSION

(Dr. J. N. Khosla in Chair)

Welcoming Dr. Ashish Bose the Chairman said : "I am very happy to welcome you. Dr. Bose will speak on Urbanisation in Perspective—a subject on which he has made a special study. He, as you know, has been working a good deal on urban problems, and I am sure you would like to listen to him. Dr. Ashish Bose".

Taking the floor *Dr. Ashish Bose* said : "I am grateful to the Indian Institute of Public Administration, and in particular to Dr. Khosla and Prof. Mukharji, for giving me the opportunity of meeting this group drawn from all over India. You are concerned with day-to-day problems of urbanisation and your insight into problems of urbanisation is certainly greater than mine. However, as a professional researcher in the field of urbanisation, I shall share some of my thoughts with you in the hope that the discussion which will follow will be of mutual benefit.

"It may be of interest to you to note that the origin of socio-economic surveys of urban areas owes a great deal to the interest taken by some municipalities. As far back as 1933, Prof. D. R. Gadgil who is now the Deputy Chairman of the Planning Commission, conducted a study of the marketing of fruit in Poona city and later, a survey of handicrafts was also undertaken by him. He wanted to extend his studies to cover small-scale industries in Poona. While planning this survey he realised that it would add much to his work if he included some questions on the socio-economic conditions of Poona which would greatly enhance his knowledge of Poona. In 1936 he approached the Poona Municipality for financial assistance to conduct the socio-economic survey of Poona. The Municipality co-operated and this resulted in the famous survey of Poona conducted in 1936-37. About twenty years

Commission sponsored a re-survey in Poona which was again undertaken by Prof. Gadgil's Institute. This re-survey gave a picture of socio-economic conditions in Poona city at two points of time and is valuable in understanding the process of urbanisation. After the initial experiment in Poona, other municipalities got interested and socio-economic surveys were conducted in Kolhapur and Sholapur.

"A well-conducted socio-economic survey can help a great deal in a clearer understanding of urban problems than just a commonsense view based merely on experience. Our problems are getting so difficult that the rule of thumb will not always help us and a certain amount of expertise is called for. Money spent on such surveys should not be grudged. In fact it is not possible to prepare a master plan without the basic data about the life of the city. I would strongly urge, therefore, that every municipality in India, big or small, should provide funds for such surveys. These surveys need not always be elaborate endeavours or pedantic academic exercises. The surveys should be diagnostic, problem-oriented and not just data-oriented.

"I must point out here that it is not enough to conduct these socio-economic or diagnostic surveys which collect data for a given point of time. One must look to the future. When you are planning for new roads and bridges, schools and hospitals, houses and factories, you have necessarily to think of the future. You must know what the population of your city will be, how many workers will there be, how many children will go to school, how many patients have to be provided for, and so on. This is where population projections come in. This is the job of technical demographers. Now, one may say that the whole business of projections is just guess work. At best it may be astrology. But actually it is not so. First of all, demographers do not say that they are making predictions when they put a figure for the population of the world or of any country or any city in 1981 or 2001. They make projections and not predictions and these projections are made on the basis of certain assumptions. Population grows as a result of the balance between births and deaths and also as a result of the balance between immigration and emigration (within a particular area in a

country as a result of the balance between in-migration and out-migration). Thus the assumptions to be made are in regard to fertility, mortality and migration. There was a time when population experts used to estimate population after 100 years, but now-a-days the projections do not go beyond 30 years. With the Five Year Plans in operation, there is need for projections of population, etc., just after 5 years. As you will realise, in a way it is less difficult to make a projection for the period after 5 years than that after 50 years.

"In this connection, it is relevant to note that the size of the population involved is also an important consideration. If you are making a projection for the whole of India with a total population of over 500 million, a difference of a few millions between the projected figure and the actual figure will not really matter in terms of planning but in the case of an individual city, say with a population of million, if the projection goes wrong by even 1 million, it will render the projection absolutely useless because the degree of error will be very large. Therefore, it is much more difficult to project the population of a single city than that of a state or the country as a whole. Another important point is that when one considers the total population of India, migration is of very little importance and it is mainly the balance between births and deaths which matters. But this is not true of most cities where migration plays a very important part. In fact, in many Western cities, the birth rate is very low and left to themselves the population will decrease. It is mainly because of migration that these cities grow. This, however, is not true of Indian cities where the birth rate is high, almost as high as birth rate in rural areas. Thus the balance between births and deaths or the mutual increase in population is an important factor contributing to urban growth in India. No doubt, the family planning movement has made some dent in the birth rate of the big cities, and especially the birth rate of the upper class population, but as yet there is no evidence to show that the urban birth rate is going down. Thus Indian cities, especially the big cities, are facing the difficult task of containing the rapid increase in population as a result of the high birth rate and the declining death rate as well as the increasing tempo of migration, especially from the rural

areas and smaller towns. We have also the phenomenon of stagnant towns which are not growing fast enough because of lack of employment opportunities. These towns, far from attracting migrants, send out migrants and the growth rate therefore is low in such towns. Thus one cannot generalise. While it is true that the urban population of India is growing very fast, it is not necessarily true of all cities and towns : it is certainly not true of many small towns with population below 20,000.

“From your point of view the micro-view of urbanisation is more meaningful than the macro-view of urbanisation. The All-India picture, and for that matter the State picture, is too broad and may even be misleading for a true understanding of the problems faced by individual towns and cities. As I have just explained, when you are thinking of future population growth you must consider three variables, namely, mortality, fertility and migration. The first two factors will largely depend on your public health programmes whereas the last factor, namely, migration will largely depend on the industrial development plans, on the location of industries, the employment generated and so on. Before the advent of industrialisation in India, cities grew largely because of the expansions of administrative offices, educational institutions, business and commercial activities, etc. But with the acceleration of industrialisation, the nature of urban development will be different and industrial towns will come into prominence. The improvement in transport facilities, especially road transport, and the development of the power grid system which brings electricity right on the door-steps of thousands of villages are other important factors which will change the nature of urbanisation in the years to come. In the past, industries were concentrated in a few big cities but in the first decade of planned economic development in India we have seen the emergence of large number of industrial towns all over the country : the steel towns of Rourkela, Bhilai and Durgapur, and other industrial towns like Sindri, Nangal, Neyveli, Chittaranjan, etc. Apart from these brand new industrial towns, we have a whole lot of refugee towns. Then there are also small towns which have prospered as a result of industrialisation like many towns in Punjab where small-scale industries

are coming up in a big way. It is very necessary for proper planning to have a clear idea of the type of town or its functional classification. Is your town and administrative centre, a religious centre, and industrial centre, or an educational centre? Or is it just a service town with nothing special but the usual component of trade and commerce and administration?

“According to the 1961 Census, there were 2,700 towns and cities in India with a total population of about 80 million. Now, these towns and cities belong to six urban classes depending on the population size ranging from cities with population of one million and over to towns with population below 5000 persons. The Census has also classified these cities and towns according to the functional type and sub-type. The basic data for each of these cities and towns are given in the Census volumes, especially in the District Census Handbooks. These data refer to the area, number of houses and households, population by sex, total number of literates, the number of workers distributed into nine industrial categories, the population belonging to scheduled castes and tribes. These data are presented for each ward of a city separately. Apart from these data, the 1961 Census collected a wealth of other data pertaining to the district which will be found valuable by you. This Census also collected detailed data on internal migration which is very useful in understanding the process of urbanisation.

“In migration analysis, we usually talk in terms of migration streams that is, the flow of people from one area to another. There are four types of migration streams: rural to rural; rural to urban; urban to rural and urban to urban. From the point of view of urbanisation, we are concerned with two of these streams, namely, rural to urban and urban to urban. Here again, rural to urban migration is the most important form of migration, quantitatively as well as qualitatively though in recent years, urban to urban migration, especially migration from small towns to big towns and cities, is getting increasingly important. The pet thesis on rural-urban migration is the “push and pull” theory, villagers are pushed out by rural poverty and pulled to cities by employment opportunities, urban amenities, etc.

This, however, is an over-simplification. It is not enough to say that wage rates are higher in the urban areas than in the rural areas and, therefore, people will migrate from rural areas to urban areas in large numbers in search of jobs. The mechanics of migration is more complicated. Given the mass illiteracy and the lack of employment market, information, the mobility of labour is greatly restricted. Generally speaking, the people who migrate are people who have friends and relations in the cities where they migrate. In other words, it is a type of *chain migration*. The push and pull theory ignores this important aspect. Further, too much is made of the glamour of city life. For most migrants from villages to cities, life is a bitter struggle in new surroundings, often in hostile surroundings. And much of what he earns in the city he has to send home by money order or through relations visiting the village—remittances which support his family and dependents left behind. With his household split up into two—his wife and children staying on in the village and the migrant somehow managing some accommodation in the overcrowded city the average migrant is certainly not enjoying the glamour of city life. This is very unlike the situation in Western cities where the migrants move with their families and leave the village for good. This aspect again has received very little attention in India. *The money order economy of villages* sustained by remittances from migrants deserves a more careful study.

“In a comprehensive analysis of rural-urban relationship, we must take note of three types of flows: (1) flow of persons; (2) flow of money; and (3) flow of goods. One must also work out the cost of migration and the return on migration—both direct and indirect costs and direct and indirect returns; both private costs and social costs and private returns and social returns. I am not suggesting that municipalities should engage themselves in such complicated research, but I submit that in the absence of rigorous analyses of migration and urbanisation, we are carried away by facile generalisations drawn mostly from Western experience and the solutions to urban problems offered, therefore, tend to become unrealistic.

“Very often it is said that India lives in her villages. It is true that according to the 1961 Census, only 18 per cent of

India's total population was urban, but it is equally true that this mere 18 per cent of the population accounted for 80 million people living in urban areas. Today the estimated urban population of India is roughly 100 million. How many countries in the world have a *total* population of 100 million? Some of the biggest countries of the world like Pakistan, Japan and Indonesia are roughly 100 million each. Thus, when we consider the absolute size of the urban population—and this is what is relevant in the real world and not the proportions—we can visualise the enormity of the urban problems facing India.

“Everybody talks of the population explosion these days, but if there is truly a population explosion it is in the urban areas which face the dual problem of a high rate of natural increase in population as well as a high rate of in-migration from rural areas. Added to this is the problem of refugee migration from East Pakistan which swells up the population of cities and towns in Eastern India, especially Calcutta. When one turns to the problem of the urban labour force and the shortage of jobs in the cities, the problem becomes truly explosive and it has all the political overtones.

“Is it possible to regulate and restrict the flow of migration into cities? In a democracy like India, the Government cannot tell the people where they should go and where they should not go. In other words, it cannot introduce a passport system to regulate internal migration. The only weapon available for the Government is its policy of location of industries, educational institutions, government offices, etc. But here again the record is far from encouraging. The experience of New Delhi is that every office makes it a prestige point to hold on to New Delhi even if they are asked to go elsewhere to reduce the pressure on Delhi. And the experience of industrialisation so far is that in spite of the professed objectives of decentralisation of industries, trend towards increasing concentration of industries, in big metropolitan cities has not been reversed. That is because it is not economical to locate industries in smaller places. There are, however, cases and you will know them better, of industries getting located on the outskirts of cities where land is cheap and often these industries become a burden on the city municipality which is called upon to look after

the interests of the workers. Municipalities should be very vigilant about such cases and see that these industrial undertakings make their due financial contribution to the municipality for the services which they fail to provide to their workers and which they later on expect the municipality concerned to provide.

"Finally, I should like to emphasise that we should not look upon urbanisation as an evil. India cannot progress unless she gets modern and modernisation should not be confined to urban areas only but the whole country should get modern. But in initiating this process of modernisation, urbanisation has an important role to play. Urbanisation may not be the solution of India's problems of economic growth and social change but we must squarely face the fact that it is not possible to generate the forces of economic growth and social change without urbanisation. Thank you."

The Chairman then asked Mr. Datta to give his talk on "Preparation of Five Year Municipal Development Plans".

Taking the floor Mr. A. Datta said : "I shall not take much of your time. The subject of my talk runs through the entire seminar, and it would be inappropriate on my part to anticipate the course of discussion, or to enter into areas which would be covered by various experts on the subject. My duty is to introduce the subject by making a few preliminary observations and to specifically take up certain aspects of the scope and contents of municipal development plans. It is necessary to be very clear in our minds about the nature of such planning exercise before we can enter into a purposeful discussion on their methods of operation, or the institutions necessary for the purpose.

"The first question that we should consider is whether the municipal five year plans are to be amenity oriented or productivity oriented ? As you all know, in view of the scarcity of resources and the need for strengthening the productive base of the country, purely amenity projects like creation of social overheads would necessarily have a lower priority in an under-developed country like ours, and it is necessary that we think in term of productivity oriented projects even in the municipal sphere. It is true that some of the social overhead items like housing, water supply and sanitation, mass transportation, etc.,

have productivity aspects in an indirect sense, but it is necessary to reveal the assumed productivity in quantitative terms so that in the ultimate listing of plan priorities, these projects have certain amount of justification.

"The second point I want to pose is that whether it is at all necessary to undertake land use or physical planning for all our urban areas. It seems to me, at any rate, that such an exercise might entail a huge wastage of our technical material resources. As a matter of fact, in recent years doubts have been expressed whether it is at all desirable to have master plans for rapidly developing cities. It would perhaps be more appropriate to have land use plans for selected urban areas with more or less stable population. In this connection, the interim general plans prepared for some of our metropolitan cities may be commended, for these do not go into the details of land use planning, but provide only broad guidelines of orderly development. However, while the physical planning exercise may be optional, the fiscal or operational planning by the local bodies in our urban areas seems to be absolutely essential inasmuch as this sort of exercise would ultimately link up local planning with the State and national planning.

"This leads me to my third point about the role of capital budgeting *vis-a-vis* the municipal development plans which are functional and schematic in nature. It is possible to view such a development plans only in terms of capital improvement but such a view would necessarily restrict the scope of municipal planning by excluding social welfare projects which need not necessarily be capital oriented. Here again we are faced with the dilemma of priorities and, I am afraid, the scope of purely social welfare projects would have to be limited in our present context of economic development, however desirable these might be in an affluent society. Take the case of urban community development, for instance. Social integration in our urban areas is extremely desirable, but would you not like to go in for the basic physical and environmental facilities in the cities first, before thinking of abstractions. I am, not, for a moment, thinking of development purely in terms of brick and mortar, but unfortunately social capital formation does not have a direct impact on the increment of national income—the goal of all macro-planning. There is of course no harm in including

a social welfare projects in the municipal development plans if these could be related to minor improvement works. In any case, nationally determined priorities on certain individual soft projects may have to be undertaken provided these are externally financed.

“Fourthly, I would like you to give some thought to the usefulness or otherwise of preparing municipal capital budgets. As you know, foreign illustrations are not very helpful in this context, as our institutional requirement is different. It is not at all clear that a divided budget is necessary or desirable in the public sector, including the local authorities. In India, we have a combined operating budget for the public authorities, apart from separate loan accounts in the bigger corporations. Following the practice at the State or national level, the municipal authorities also maintain the distinction between plan and non-plan expenditure. But plan expenditure includes certain revenue items too, provided these are non-recurring; on the other hand, non-plan expenditure might include capital improvements if the head of expenditure is not covered by approved plan. Therefore, the whole exercise of preparation of capital budgeting is nationally significant because, the amount of expenditure incurred out of market borrowing would be insignificant and, in any case, relevant only for the bigger corporations in the country. There is another reason why capital budgeting is suspect—it is due to its preoccupation with physical improvements and thereby limiting the scope of soft projects which are in the nature of amenities. However, even if the municipal authorities prepare capital budgets, these would be supplemental to other non-capital projects and serve the purpose of rational phasing of expenditure during the plan period. The capital budgeting exercise is, therefore, purely technical in nature and not important from the point of view of authorisation.

“The fifth point to which I would like to draw your attention is whether the city development plans are to be viewed essentially in terms of areal or institutional plans? Although the question will be taken up for a fuller discussion on the last day, a straight forward answer to the issue would depend on the nature of governmental fragmentation in an urban area. This would be somewhat acute in the bigger metropolitan

complex but even in a normal city, the development functions are parcelled out among diverse agencies and institutions, including the municipal authorities. Where such fragmentation of areal or functional jurisdiction exists, the solution would perhaps lie in concentrating planning functions for the urban area in the local body, leaving the responsibilities for implementation to the various other agencies and institutions. This, of course, is easier said than done as this presupposes a fund of goodwill and co-operation among involved authorities which is difficult to achieve through legislative fiat. Some amount of coaxing through public opinion and pressure by the State government and, if necessary, also by the Centre might become unavoidable.

“The sixth point I want to emphasise is that thoughts should be given as to how exactly municipal development plans are to be dovetailed into the State plans. As you know, so far this aspect has not been pursued to a considerable extent in our national planning system and part of the blame must rest squarely on the States and the Centre. On the other hand, it is possible that necessary leadership in our cities has not been forthcoming in this matter and the upper-tier governments are not sufficiently pressurised to adopt a decentralised planning strategy, at least for the development of social and economic infrastructure of our cities. If this is to be corrected, the States must take fuller responsibilities for urban development and adopt specific schemes for financing such projects in the urban areas, so that the State Plans truly reflect the needs of both local and State sectors. This has been done to certain extent for the rural areas so that atleast in a few States there are schematic plan budgets for the *panchayats*, but similar exercise is to be practised for municipal development plans as well.

“Following from this, my seventh question would raise a somewhat speculative issue. I would like you to consider the changes that would entail in the existing practice of plan formation at the States and the Centre, if and when local sector planning is conceived and implemented by the local authorities. This raises the important question of local autonomy and local planning. Services or functions which are purely local in character, defined in terms of ‘spill-over’ effects, should be left to be planned and executed by the local authorities irrespectiv

of the course of finance, and the States must restrain themselves from forcing an overall priority on local planning through unnecessary and objectionable conditions attached to their assistance formulae. These issues have assumed serious proportions at the national level over the controversy on the future of centrally sponsored schemes. The States should refrain from committing the same mistakes in relation to the local authorities, and thereby be in the unenviable position of speaking with two voices. So far this has not been a serious problem to the urban local bodies, but then the degree of involvement by the States in urban development has also not been significant.

"The last point I would like to touch upon is the necessity of dovetailing rural and urban planning in a given region so that these form part of an overall effective regional plan. Unfortunately rural and urban planning have developed in compartments and, although there has been some thinking of distinct and regional planning for the rural areas, the urban areas have been left high and dry. It is essential that in any system of regional planning, the inter-dependence of urban and rural areas is emphasised and this can better be done by regional planning authorities, with representation of the urban and rural local bodies and the State Government. Recently, the *Rural-Urban Relationship Committee* has gone into this question and made specific recommendations. It is worthwhile considering these suggestions from the points of view of not only technical requirements and legal imperatives, but also from the angle of popular participation in plan preparation and implementation. Thank you."

After the distinguished speakers finished their talks, a participant thanked them for their valuable findings which they had placed before the Seminar after doing great researches. He then cited the examples from his State and said : "In Andhra Pradesh most of the people who come from the villages do not settle in towns but in the surrounding villages." Posing the problem before the house he asked : "How can these people, who come from the villages to cities, not to settle in towns, but make use of the cinema halls, come to work in various factories and go away without paying any taxes ? That aspect may be considered by the Seminar, because they go scot free. They settle down in the outskirts, where we are not able

to get any tax from them. I think that aspect may be considered and the learned speakers may be able to say something. Further, the enactments of the Municipal or City Acts are such that no mention is made of city planning. However, mention has been made that the State Government should take initiative and direct municipalities. The State Governments should, therefore, insist that unless every municipality prepares a Five Year Development Plan, the Government grant would not be forthcoming. There must be governmental direction to the municipalities in this respect. Thank you very much."

The next participant opined : "Generally what happens is that the chief man stays in the rural area and he sends his family to the city for the education of children. Similarly, there is a tendency to build a factory on the periphery of the city so that they may avoid the city taxes, at the same time having the benefits of the city amenities but without their obligations being discharged towards the city. This has posed the problem for us in Baroda. Therefore, it will not be enough for us to have a five year plan alone, unless you have planning for the whole regional area. Unless you think in terms of regional planning, only five year plan for a city or village or town will not be of any use particularly so when industrialisation is growing rapidly. This is a situation which we are facing in Baroda."

The next participant said : "Mr. Chairman, I wish to make a few observations on the points listed by Mr. Datta. His first point is : should the municipal five year plans be amenity oriented or productivity oriented. The answer to a question like this in India must be obvious. In a country where there is so much of poverty or unemployment and where the ultimate solution of every problem lies in raising productivity, the five year plans for municipality will have to be productivity oriented. There may be certain exceptions to this rule. There may be certain places where municipalities themselves provide a part of urban infrastructure where amenities are part of economic growth.

"The second point, whether a land use plan should precede or follow development of the city ? This question should not be put in this way. The point is that if there is land use plan already in existence, well and good. If one can be drawn up quickly, that is better. If there is no land use plan, it cannot

be drawn up in a short time. A city programme can be formulated in the absence of land use planning. Just as we have been planning our economic planning in the absence of physical plan. Similarly, we can do that in the case of urban areas, though it is desirable that urban areas have a land use plan which give perspective of area development over period. Here, in this context a detailed land use plan takes good deal of time, or expertise. It is not possible to programme a plan within a period of 3 to 5 years ; it takes longer time. This may be a very rough sketch which will be taking care of major development in the city, so that no serious damage is done, but for minor things even the plan need not worry too much. This outline plan has been successfully followed in the case of Poland. Poland faced the shortage of qualified town planners, and they wanted to reconstruct their economy. What they did was they prepared very rough sketches, outlines plans for many of their urban areas, as were feasible, and the detailed planning of urban areas was confined only to that area where development was imminent. Even in places where expert knowledge cannot be readily available, and in many cases perhaps the city councils, or in the case of bigger cities, employees can pool their brains together and evolve some sort of sketch of development and, I think, it will be better than have no plan at all or have development in haphazard manner.

“The third point whether the municipal five year plans should be purely fiscal and functional, and not necessarily capital improvement plans, I do not quite see how this question has been posed by my friend ? A municipal five year plan is just like a national five year plan and here you cannot say that it is a purely fiscal plan or functional plan. In the urban areas the plan will have to incorporate many things. It will be a synthesis of the various aspects which are evolved in preparing the planning. This answers also the next question about the usefulness of the capital budget. In my humble opinion a municipal capital budget would be a very important element in planning the urban area because a municipal capital budget will give you perspective of the capital investment required over the next five years or six years and it will give you an idea of the operational and maintenance cost that should evolve. Apart from this, the capital budget will also give you certain

ideas about how the entire expenditure is going to be financed, and how you are likely to phase the expenditure over the five or six years of the planning. Capital improvement programme, I think, would be a very important element in the planning of the municipal area.

“Now the next question : Whether development plans should be conceived in terms of area or in terms of institution ? Here again, I think, the answer should be conceived in terms of both. To the extent the municipal jurisdiction has certain area, the entire area has to be taken care of. This idea of area will be implicit in your planning for the municipal development. Then, how the municipal plans should be dovetailed into the State Plan ? This has been a very ticklish question. Even in cities and towns where certain five year plan programmes have been prepared by the local bodies, the local bodies have found it difficult to persuade the State Government. But this is a very important question. If the Municipalities prepare a plan and it cannot be dovetailed into (the) State Plan, I do not see any hope for the Municipal Plan being implemented or any resources or any priority being assigned in the matter of allocation of finance or matching resources. The question can be answered by the State Governments associating the municipalities within their jurisdiction which are a part of the State Government. And if the State Government have a sense of awareness, and they take into account the urban needs, the question is partly theirs. The second thing is that municipality must be left to this question and have Five Year Plan programmes prepared in advance of the Five Year Plan of the State Government. If the State Government is to formulate the municipal plans, they must do it in 1967 and make them combine with the State Governments so that in 1968 the State Governments formulate it. If at this moment the State Government had all municipal plans, and adequate provision is made after the provisions have been made in the State Five Year Plan, the National Planning Commission would be approached and if the National Planning Commission approves, they become part. These are some of the questions on which I wanted to make a few observations.”

The next participant observed : “In my opinion, to chalk out a plan will be, at the moment, placing the cart before the

horse. Ultimately the idea behind the formulation of plan is its implementation, and unless and until we are in a position to give a practical shape to what we conceive, I do not think it will be conducive to the object we stand for primarily. I feel that the Five Year Plan period cannot be universally applied everywhere. The plan should be chalked out for the same duration as the tenure of party in office. Suppose for a moment, the term of the Council is for three years and we chalk out a plan for five years ; God knows whether the same party will be in position to return for second term or not, and in that case naturally their successors will feel offended, as their approach to planning may be different. Then it will be difficult to implement that part of the plan. In my view, therefore, the plan period should be confined to the term of office. The second point is that we should try to assess the resources first and then only, within the framework of the resources, we should chalk out our plan. Well, it is a nice idea that we should have long term planning and then we should draw priority. For instance, during finalising the budget for the current year, we draw a priority. Then we can concentrate our attention, say on development of some educational institutions and bring about some improvement. In that way in three or four years we can certainly make some achievement."

The next participant opined : "I entirely agree with Dr. Bose when he stated that our municipal expenditure should be production oriented and not welfare oriented. The days are gone when we taxed the people in the conventional way on holdings, on water and on sanitation, on conservancy and get certain basic civic amenities. In Bengal, we are already taxing the people up to 25 per cent of the possible annual valuation of the holding, and we are further taxing the people in my municipal area up to 2 per cent educational cess per holding. That means we are taxing the people upto 27per cent. We are still short of funds. The State Government is hardly in a position to pay more because the financial position of the State Governments is no better than that of the municipalities. We should tap our internal resources of revenue. I shall be thankful to the authorities of this Institute, and to my friends, if they can suggest how we can develop or collect more from the internal resources. Dr. Bose has hinted that we must take some economic ventures on our part.

How can we take these economic ventures successfully? That can be suggested from these Institutes, or at least a model should be given to us. These ventures should not be of such types which may sink our municipalities further.

Citing the plight of Asansol city, the speaker said : Asansol is surrounded by satellite industrial towns. In these towns the Central Government has set up some undertakings and there are some private undertakings like Indian Steel Company. Over a lakh of people work in these industrial towns and they all keep their families within the Asansol municipal area. It is primary duty of those factory owners to make necessary water or sanitation arrangement for their own employees. But they are not doing it. They have simply started the factory and put the burden on the municipality. The law should suitably be amended so that factory owners in the adjacent area of an urban local body are required to pay something for the civic amenities of the localities in which the bulk of their employees reside. I also agree with the previous speaker that many people go to the city ; they get the civic amenities there ; they earn their livelihood in the cities and go back without paying a single paisa to the municipality. There must be a way out and research authorities should tell us how these floating people can be taxed for conservancy and other civic amenities.

“Now, Sir, I would like to be enlightened on the last point discussed briefly by Shri Datta. What should be the relationship between rural and urban planning, and how exactly these are to be integrated in a particular local area ? Specially, we, the people from industrial towns, are facing this problem because growth in industrial towns is very rapid. When these quasi-urban areas are given to a municipality with their ugly face and slums, these add financial burdens. Therefore, I would like to be enlightened on this point further.”

Disagreeing with Shri Bose on population projection as a pre-condition for city planning, a participant said : “In our urban areas there is a backlog of services which are mounting. It will take considerable time to remove them. Therefore, I do not think a sophisticated population projection is a must.”

Another participant said : “Population projection is not such a technical subject as other projects. It can be a simple sort of thing. But I do agree that some sort of a preliminary

population projection is absolutely essential before you can make a long term plan for the city. I do agree that sophisticated population projection may not be necessary but it is not at all technical. This is not a very difficult thing."

Clarifying certain points Dr. A. Bose said : "The people who come and work and add to the population are much more important than the residents of the city. I may quote a study made by Dr. Malkani, under the auspices of the Planning Commission, which brings out the role of migration in Baroda. Does the city belong to the people who are born in it ? In the long run it is suicidal to think of the residents and the floating population when there is economic growth. Where there is prosperity, the people will come ; they will bring money and if they do not bring money, they will help. Now, if new industries are set up, if I am pleading for the rural people, I would ask you this question. You get your grants from the villages ; I cannot plan my work unless there is enough water. Therefore, this whole idea of rural-urban dichotomy should disappear. Of course, that is easier said than done. There should be increased emotional rural-urban integration. I do not know enough about the legal implications. You can cast your net over a wider area to catch these people. It is done in countries like Japan where an industry is set up. I think this can be tackled within the framework of the present law. What is the urban area and what is the periphery—these can be re-defined every year. The industry can get away the first year but not the second year when you extend your jurisdiction. This again depends on which thing you put your emphasis. Your emphasis is on tax and my emphasis is on production. If you have more production in the city, usually you get higher taxes. Both these things have to be matched.

"Our friends from Asansol made a valid point. These factories have exclusive townships for the upper income group of their workers. Even in Durgapur, we had the phenomenon of the rural slums. We have urban slums in India; we have rural slums, and the whole thing is going on systematically. The Asansol Planning Organisation has collected a lot of material and, I am sure, you have enough of expertise, but I appreciate the points made. After all you have to think of your votes and you have to think of the welfare of the people, and sometimes

there are contradictions and they have to be resolved. That is why you must think of including the new areas. Instead of taxing the existing people within the four walls of the city, think of expanding the horizons of the city, attracting more industries and so on. It will be better.

“The point made by our friend from Delhi is relevant. If you have a four year term of the political life, and a five year development plan, there will be trouble. For this we suggest a long-term and a short-term plan. There must be a short-term objective and a long-term objective. This has to be there. Then there will be lot of discussion. As regards the population, my only submission is that we should welcome the migrants. Instead of treating the migrants as a nuisance factor, if you treat the migrant as a generator of economic growth, I think we get the positive side of the story, as it is they who are dodging taxes and making excuses and at the same time exploiting the cities' limited funds.”

Summing up the day's discussion the Chairman Dr. J.N. Khosla said: “I am grateful to Dr. Bose for having given us a very learned speech and to Mr. Datta who has added valuable supplements on the preparation of plans.”

Touching upon the points discussed earlier the Chairman said: “I am not thinking of an ideal city. At the moment we are thinking in terms of a reasonably good city from the point of view of amenities, of services for the citizens and for that purpose, the numbers of population are an important question. On this would depend the growth of our schools; how many schools do you want, what is the rate of growth. It also implies the ratio of age groups to the total population. This would imply the type of universities and colleges, hospitals and old age institutions that you might need. Anyhow, that is one aspect. The second aspect raised by Mr. Datta is that of formulation of plans. I think the first essential for this is to develop some kind of expertise within the municipalities. I am afraid this kind of expertise is missing even in the States at this moment. Nobody seems to bother that planning is not merely a question of putting a few projects together. Planning means much more than that. It is a kind of integrated development, and for that purpose you have got to think of priorities in programmes and not only of today but you may have to think of programmes over the next

several years. The question, as to whether it should be a four year plan or five year plan, to me, is immaterial. What you really accept first of all is perspective planning over a number of years, and all plans have to be broken in the last analysis to short periods. Even the national plans today are being broken up into yearly components, because you do not know as to whether the monsoon will be normal or not. I am reminded of Mr. Seokarno who said, 'Russia has five year plan. India has five year plan, nobody has 7 year plan and I must have 7 year plan.' We have not got to go by the sanctity of numbers.

"Then the question is of raising the resources or husbanding your resources. This implies two things. First, how to spend money economically. I am reminded of the road outside the Institute—Indraprastha Marg. When I took over charge of this Institute four years ago, since then it is being built, and I was arguing that it has taken four years and yet it is not complete. My friend who was with me said, 'I am here for five years and I have been seeing this.' So, we are not husbanding our resources as best as we can, as economically as we should.

"I wish, some of you would insist, when you go back that they must have Work-Studies of their own system of organisation. I am sure the Institute could help you with regard to this kind of thing. I find a large number of people, an army of people working in many of these offices and not half of them are properly utilised. We conducted a spot check some time back in the big offices of the Government. We found only 45 per cent of the time of the clerks and the assistants was properly utilised, in the sense that the rest is spent in the canteens or in the corridors or in gossiping. My impression is that the conditions in the municipalities are even worse. I am always reminded of a placard which I saw in one of the towns. There was written 'Beware—the municipal road ahead'.

"The question of taxation, is a very important one. You have to be very careful as to how much you would tax your people. I know of municipalities, or corporations which have raised taxation to a very high level, higher than it prevails in many other parts of the country. I am sure the citizen is now becoming more and more discriminating. He wants service today, and if he has confidence in the city fathers, I feel certain that the climate can be changed. People today are sick of bad

services, bad roads, bad civic amenities and, therefore, I am sure that a bold leadership is required. The parties today could probably raise more money by earning the goodwill of the people whom they serve. I am happy that you all have joined today and we will start our next session tomorrow morning at 10 a.m. Thank you."

MARCH 12, 1968

Shri N.L.D. Choksi - The Mayor of Baroda in Chair

In his preliminary remarks, the Chairman said : "The subjects for discussion in the morning session are : Expenditure Planning and Resource Planning. These are two important areas which need solution for all municipalities, and if a research man has to study this problem and give some solution, we will be more than benefited. May I now request Mr. J.P. Sah to start his discourse on the subject. As you know Mr. Sah has done research on this subject and it would be of interest for us to hear him and pose problems for his solution."

Taking the floor Mr. J.P. Sah said: "Mr. Chairman, please let me at the outset express my gratitude to the Indian Institute of Public Administration, Dr. Khosla and Prof. Mukharji, for giving me this opportunity to be here this morning. The subject I have been assigned to speak on is 'Recourse Planning—Fiscal'. In the context of urban development in general and preparation of plans for urban areas in particular this subject is of vital importance. As we all know, developmental planning for any city implies, among other things, a set of goals and objectives which the urban community desires to achieve over a given period. These goals and objectives express themselves in terms of concrete programmes, projects or schemes to be implemented or services to be provided to the community. Each of these projects, programmes, schemes or services has certain financial implications. For instance, if you want to execute a project, it will necessitate some investment or some recurring costs though it is also quite possible that certain revenues may be generated by this investment. In this sense every programme, project or scheme can be viewed as a fiscal problem. In an underdeveloped country like ours where resources generally are very meagre, it is absolutely necessary that our plan projects are carefully considered so as not to turn the plan into something over-ambitious or beyond the capacity of the community. At the same time in

view of the vast backlogs in basic urban services which we have accumulated over the past several decades, it becomes imperative that we do not unnecessarily curtail our plan on the plea that finances are not available. If certain services must be provided to the community, then a measure of sacrifice entailed in raising resources must also be made. The point that I am trying to make is that there has to be a balance between what the community desires and what is possible or what it could afford. That balance has to be arrived at.

“Planning in general involves taking a long-range view; similarly fiscal planning also means taking a long-range view. It is because the investments that we make at any point of time generates a series of effects over a number of years. If we execute a water supply scheme with borrowed capital the financial problem does not end there. The loan has to be repaid over 20 or 30 years together with interest. After installing the water supply system we have to maintain and operate the service. Therefore, there is also the question of annual maintenance and operation costs for which revenues have also to be found. So what we do to-day cannot but be conceived over a long period and in terms of the long-term financial implications. How are we going to find our investments and meet our recurring costs? What is going to be our tax and price policy? Every scheme has many ramifications and limitations. Issues like these form the subject matter of financial planning.

“Financial planning has certain components. Even though these components are inter-related, we can distinctly identify them. The first component is a capital improvement programme. The second is Public Services Programme, the third is Long-Term Revenue Programme. And the other two components are the Capital Budget and the Annual Budget. Capital Improvement Programme may be described as a comprehensive systematised list of the needed capital improvements as for example subways, roads, school building, development of land, etc. In cities and towns where there are master plans, many of the capital improvements will naturally emanate from the master plan. Where there is no master plan, the public authorities dealing with urban administration and development should be well aware of what improvements the city needs. The first exercise is to list out all the capital improvements.

As the capital improvements are listed the agency which will execute a particular improvement is also stated preferably with a rough estimate of the likely cost involved. After having carried out the first exercise, each and every project or scheme is assessed in terms of priorities. In a country like India it is not practicable to fulfil all the needs simultaneously and, therefore, certain priorities have to be assigned to the listed projects or schemes. How the priorities should be rated is an important issue. But, as I understand, some other speaker would throw light on this. I need not discuss the subject of priority-rating.

"Coming to Public Services Programme, this programme relates to city services. You may, for instance, wish to provide free compulsory primary education to every child in the school-going age group of 6 to 11 years or to provide 44 gallons of water per head per day or start a library service. What is going to be your long term programme of improving the existing services or of providing new services to your citizens? In financial term, the Public Services Programme means the making of estimates of the maintenance and operating expenditures and sometimes of capital expenditure as well. The third element is the Long Range Revenue Programme which concerns itself with the question of finding the needed revenues for capital and operating costs and with revenue policies consistent with the contemplated physical programme. There are certain elements in the revenue programme, the first being an assessment of your current sources of revenue and their current yields. If the current sources of revenue continued in their present form and at their present rates how much would they yield in future? Secondly, you need to make an assessment of the future revenue potential of your city. To what extent can the existing tax rates be stepped up or, if a new levy or levies is or are conceived, what would be its or their estimated yield? Since there can be a number of alternatives for raising revenues, considerable thought needs to be given to exploring various alternative revenue proposals. These revenue proposals have to be thoroughly considered and the best of them selected. In this manner you will arrive at a set of revenue measures or proposals.

"With this detailed work on the Capital Improvements Programme, Public Services Programme and Long Term

Revenue Programme you are ready to prepare a Capital Budget. The Capital Budget is usually made for a 5 or 6 years, period. It synthesises the elements of the three programmes just mentioned. It will enable you to know the various agencies which will implement the different project or schemes, the years and month when a particular project or scheme will be started, what would be its gestation period and when the project or scheme will be completed and begin to yield revenue, if any. The Capital Budget is thus a broad financial plan and methodology. The Capital Budget contains annual phasing of the programmes and expenditures thereof. Keeping this Capital Budget in view the annual phase of the Capital Budget would need to be incorporated in the Annual Budget of the local body or for that matter every concerned plan implementing agency. The Annual Budget would be presented to the local body or the legislature and obtain its sanction in the manner which you all very well know. In this way your financial planning would be put into operation and this, by and large, is the technique of fiscal resource planning.

“For elected municipal councillors more important than the methodology and technique of financial resource planning is the practical question as to how local bodies can mobilise resources. This question of raising financial resources has been the concern of many speakers yesterday also. I would, therefore, dilate on this question at some length. To begin with I might observe that local bodies are very much unlike national governments. Being creatures of the State Legislatures they have only the delegated powers and there are many more limitations in the way of their raising resources. Under the Municipal Acts which define the revenue powers of the local bodies certain sources of revenue and sometimes the maximum and minimum tax rates are prescribed and no local body can depart from the letter of the law. In many cases the local bodies have to obtain the approval of the State Governments for the levy of certain taxes or for any change in the rates of their existing ones. The borrowing powers of the local bodies are also severely circumscribed and a majority of them do not have powers of floating loans in the open market. More formidable financial weakness of local bodies stems from the fact that the economic base of our cities and towns is very weak. A

study made by Shri Asok Mitra, Registrar General, reveals that a vast majority of our cities and towns do not have a well diversified occupational pattern. Very few have industry or manufacturing as an important sector. Most of them are "service towns". When the economic base of our urban areas itself is very weak the revenue base of their local bodies cannot be otherwise. A sound revenue base of the local bodies would be possible only when the larger economic base of the city becomes strong and viable. Another weak spot in local finances is the lack of an efficient financial administration. This incidentally is quite a strong and valid criticism of our local governments that they have not succeeded in streamlining their financial administration. Their collections are very poor and arrears very high. To these limitations might be added another limitation arising out of lack of civic consciousness among the citizens and, I am sorry to add, lack of enough sense of responsibility and courage among the elected councillors in the matter of raising resources.

"In spite of these limitations the revenue prospect is not totally hopeless and a good deal can certainly be done to improve the revenues of local bodies. Local revenues might be broadly categorised into two types, namely, tax revenues and non-tax revenues. In the first category are taxes on property; on goods and consumption like octroi duty, terminal taxes; taxes on trades and profession; taxes on animals and vehicles, etc. If we place the object of local taxation in a wider perspective and relate local tax system with the State and the national taxation system or if we consider the problem of local taxation in the context of planning for economic development or conceive local taxation in the ever-widening complexity being introduced by developments in science and technology, we observe that tendencies towards centralisation are becoming stronger and stronger. The inevitable consequence is that the local tax base is going to shrink in the years to come. This is so because many of our local taxes come in conflict with State or Central taxes. For example, the profession tax overlaps with the income tax, and under the Constitution the profession tax has already been practically frozen. Similarly, the taxes on goods and consumption like octroi duty and terminal taxes come into clash with the State sales

tax. In fact these local indirect taxes have been criticised and condemned over the past several decades by every committee and commission which was appointed to enquire into the subject of local taxation. If this source of revenue is rationalised it may get subsumed into the sales tax. In any case income from these taxes may disappear as a source of local revenue. The urban local bodies have today some income from taxes on animals and vehicles but as soon as our mode of transport becomes mechanised and our bullock-carts, cycle-rickshaws, hand-carts and cycles get substituted by motor vehicles and other mass transit systems like electric trains, the income of local bodies from vehicle taxes would disappear. Similarly, when our cities and towns get rid of cows, bullocks, buffaloes and horses, etc., the income from taxes on animals would also vanish. Thus, over a longer time perspective the rationalized system of local taxation may perhaps remain confined to taxation of property which actually provides the best local tax base. The point that I am trying to drive home is that in no distant future tax revenue might become a relatively less important contributor of revenue to the local bodies.

“This belief is strengthened by another consideration also. It is not merely that local bodies who are in urgent need of financial resources. The fact is that the State and the Central Governments also are under pressure to raise more and more resources particularly for purposes of development. In the race for revenues the Central and the State Governments with their wider revenue powers under the Constitution are bound to out-pace the local governments. To the extent the Central and the State Governments increase their tax burden on the citizens, the scope for local bodies to levy taxes is diminished. This is so because the tax-payer is the citizen of a city as well as of a State and the country. He has one and the same pocket on which draft would have to be made in a coordinated manner to ensure that the total burden on him of taxes by all layers of government is within reasonable limits.

“Whereas the tax revenues of the local bodies may become less important, relatively there is scope for raising revenues from their non-tax resources. All our local bodies have, apart from grants-in-aid, non-tax revenues in the form of rents and prices and fees and fines. Prices are charges made by the

local governments for the use of municipal services as for example electricity rates charged for power consumed and fares charged by the city transport services. Income from rents accrues from municipal land, buildings and properties. Fees and fines accrue in the process of day-to-day municipal administration. The municipalities of our cities and towns do not seem to have as yet made proper utilisation of their non-tax resources of revenue but these are the sources to which municipalities could look more hopefully in future rather than get unnecessarily exercised about taxation. Expansion of the municipal trade and enterprise is necessary with a view to raising resources from this sector.

“Some doubts are expressed as to how municipalities would be able to find huge investments for municipal trades and enterprises. A relevant point here is that the total investments required for any project is not actually required simultaneously and in one lump sum. The investments are quite often staggered over a period of two, three or more years. The actual investment required in any one particular financial year may not be so frightening as it looks when the total cost of the project is considered. Another way of meeting the initial investments is by making Municipal Five Year Plans an integral part of the State Five Year Plans. To the extent the municipal development projects get incorporated into the State Five Year Plans to that extent the worry about investible resources is reduced because the State Five Year Plans themselves indicate the sources of finance. For example, if it is an approved water supply project it is quite possible that this project may get assistance from the Health Ministry's National Water Supply and Sanitation Scheme. If it is a Slum Clearance Scheme the programme may be eligible to get in accordance with the established pattern of central assistance loans and grants from the Ministry of Works, Housing and Supply. All this would depend upon municipal projects becoming organic parts of the State Five Year Plans. To the extent this does not happen the local bodies would naturally have to make their own revenue effort.

“Now reverting back to the question of raising resources through non-tax sources, a few years ago we in Town and Country Planning Organisation (T.C.P.O.) made a study of income from fees and fines of the Delhi Municipal Corporation.

We obtained from the Office of the Inspector of Shops and Establishments a complete list of various establishments existing in Delhi. Similarly, we obtained data on factories registered under the Factories Act. We came to know the number of registered grocers, launderers, tailors, barbers, bakers, etc. Then we compared the number of licensed units in each type of trade or establishments. Our observation was that municipal licences had not been issued to all those units which were licensable under the Municipal Corporation Act. A large amount of revenue was being lost because of avoidance on the part of persons who were eligible to obtain municipal licence. By plugging this leakage the Corporation could have gained a little more income. Till recently, municipal licensing power could not be exploited for revenue purposes because law courts had disallowed such a practice. Recently, however, a judgment of a certain High Court or Supreme Court, I am not quite sure which Court it was, has made the situation somewhat comfortable by ruling that the municipalities need not necessarily restrict the amount of licence fee to the cost of administering the licence. In view of this court decision municipal licencing powers can certainly be made more broad based and given a revenue orientation.

“Coming to municipal trade and enterprise, it might be useful to observe that every municipal trading activity or enterprise does not call for the same technical expertise or managerial skill. Whereas municipal services like water supply and electricity do call for high technical expertise specialised staff and equipment, etc., an activity like the construction of dwellings and shops or the development of land is a relatively simple affair. The development of land or the construction of houses or shops does not call for extraordinary skill, and once land has been developed or houses have been constructed the problem is merely one of estate management. Land is, of course, the most precious part of municipal estate and its proper husbandry can yield sizable revenue to our urban local bodies. In our cities and towns cinemas, petrol pumps and hotels are supposed to be very remunerating business. I see no reason why the local bodies cannot approach the Indian Oil Company and have a few petrol pumps allocated to them. Petrol pumps are bound to do very good business because consumption of petrol

must go up as the ownership and use of automobiles increases. There are various other activities suitable for municipalities. Municipalities could, for instance, set up brick-kilns and cement plants and the products manufactured could in the first instance be used by the municipalities in their own development programmes. To give another example, practically all municipalities have a large number of primary schools under them and many have even middle and secondary schools. The school text books are sold in the market at fancy prices. If municipalities run their own printing presses they could very well afford to bring out inexpensive text books. They could also undertake the job of printing municipal stationery and, perhaps, outside jobs as well. In this way they could economise in private and municipal expenditures and even end up with some moderate profit.

"Visakhapatnam municipality has been running a Municipal Rest House with about 100 beds. I was told by a senior municipal official that the Rest House had been proving a good business with a high occupancy rate for the beds. In Guntur I saw a Municipal Market located near municipal office and was told that the rents of shops of the market had recouperated the capital within a period of about 7 years. I may give another example from Delhi. The New Delhi Municipal Committee (N.D.M.C., has been constructing a building for a five star hotel in Chanakyapuri. The building is estimated to cost about Rs. 1 crore. Even when the hotel building is under construction the municipality is reported to have entered into a lease-deed with some private party for an annual lease value of Rs. 18 lakhs per year. If you get a return of Rs. 18 lakhs for an investment of Rs. 1 crore you cannot perhaps think of a better investment. The New Delhi Municipal Committee constructed the Pant Market building which now houses the Super Bazar. Initially the municipality wanted to let out the commercial space to private parties. I understand that the municipality received about 4,000 applications and the applicants were ready to pay the prevailing market rent. Housing is another good field of municipal enterprise. Presently our local bodies are constructing houses either for their own employees, mostly low paid, or for Harijans. The rentals of these houses are, by and large, heavily subsidised. I fail to understand

why local bodies cannot take up the construction of houses for middle and upper income groups and sell or let them out at competitive market values or rentals. In all our urban areas, particularly in big cities, a large number of people do need rental residential accommodation.

"The success of municipal trade and enterprise, from the point of view of revenue, will depend upon certain essential prerequisite. The first and foremost of them is that municipal administration should be honest and efficient. Secondly, Municipal Councils should have a positive approach in regard to pricing and rent policies. In many cities and towns the existing municipal services like water supply and city transport are running at a loss and yet the concerned local bodies are disinclined to revise their rate-schedules or fares. In a developing country we cannot afford incurring such deficits or carry on with such price policies. If we want rapid economic growth our price policies have to be not only socially reasonable but economically rational too. And lastly, the organisation responsible for running municipal trading services and enterprises must be very alert and efficient. They must not be unduly interfered with or pressurised by the Councillors. At the same time they must see that no municipal dues fall into arrears. These are some ideas and illustrations on the subject of utilising non-tax revenue. I must, however, sound a note of caution and it is this : that there is no rigid given formula in taking decisions on these matters and the choice of the activity that a municipality wishes to undertake will have to depend upon the local needs, circumstances and their own administrative and financial capabilities.

"Before I conclude I might add that whereas local bodies do have prime responsibility in the matter of mobilising resources, the State Governments also cannot be absolved of their own responsibility towards their local bodies. The State Governments do not seem to be taking sufficient interest in either municipal government or urban development nor do they provide them adequate grants-in-aid. The State Governments have, however, to develop a more positive and constructive view on this matter. They should not think of or treat local bodies to be alien governments but only as their own subordinate governments engaged in the common venture of serving the people of the country. The State Governments and local bodies

working together in a spirit of partnership in a common venture would bring about an all-round improvement in local government. An improvement in municipal revenue system would be implicit in such a welcome change. Thank you.”

The Chairman thanked Mr. Sah and said : “You have dealt at length with all the problems and you have touched several aspects which are uppermost in the minds of each one of us. I now throw open the subject for discussion.”

Taking the floor a participant opined : “Mr. Sah has at length dealt with the problem. I quite agree with the learned view that there is much to be done to tone up administration. I give paramount importance to the last point as to how to mobilise resources. It constitutes an important part of our deliberations. In this respect I would like to submit that first of all the discriminatory attitude of the Government should be eliminated. In Delhi the Government has made rules by virtue of which the Corporation is not able to charge tax on Government property on the same basis as is the case with private citizens. Similarly, the Central Government is exempted of the property tax in respect of which any transfer is effected, and we are deprived of one crore of rupees from that source alone. In my opinion there should be no discrimination at all between the rules applicable to a citizen and to the Government. The next point I will like to tell you is that there is lack of coordination in the several bodies and the result is that the government go on in their own way. Our plan requirement was to the tune of Rs. 25 crores or so; it has been curtailed to the tune of about Rs. 13 crores. Now, you will appreciate if you frame a certain plan on the understanding that it involves Rs. 25 crores, and ultimately when we come to know that the Central Government is coming to our rescue only by way of grant of Rs. 12 crores, then we are faced with a very awkward position. So my suggestion is that before any final decision is taken to incorporate any grant to the Corporation, the Government should appoint a body of officials to bring coordination.

“Sir, I feel that the Government in the shape of sales tax and other taxes is getting Rs. 75 crores from Delhi, and if they allocate a certain percentage for welfare of the city, it would go a long way in meeting the requirements of the Corporation and

at the same time make the Corporation in a position to implement its plan."

Taking the floor another participant said : "My experience of municipal governments is very limited, only of 4 months; but on planning and development in the rural sector my experience is for five years. I have selected this urban sector just for a change. I have heard a very illuminating address from Mr. Sah. He has given bright ideas, but my broad reaction in respect of these laudable ideas is that in practice life does not move so smoothly, much less in a municipal corporation. When we were preparing our budget two months back, we started our plan very ambitiously. Soon we realised that we are not in a position to implement the plan. There is no arrangement, administrative, financial, etc., by which we can implement the plan. The most important thing is the administrative machinery. Mr. Sah also has said that if the administration is efficient, if it is honest, then so many things can be done. I agree entirely with him. Even the Morarka Committee which has been set up to decide grants to the Municipal Corporation of Delhi (M.C.D.), said 'if the staff is honest, if there is no leakage, then you can raise your resources.' But how we can make them honest and efficient overnight is the question?

"Now, what I am contriving to aim at is that over-planning is not a good thing. Of course, the objective should be planned, what is your aim must be made clear. If you start planning for five years and then fix the targets, in actual practice, and from my own experience I can say that when it comes to annual planning, you will be nowhere. But this is only a point of caution here; otherwise planning in itself is good but planning divorced from reality is not a good thing.

"The other point made is investment. Investment is there if you have spare money. You have a certain advantage in the Corporation if the land is there, you build houses and then sell it or auction it and you get more money. We are trying that. But when you have to pay for the land and then build it, I do not think the Corporation can make much profit. Then, there is the case of petrol pumps. I had discussion with the Indian Oil Company. I have leased them out on nominal amount. But if efficiency of our staff is 40 per cent. would I venture on pumps. I would lease out the management of the petrol

pumps to the private parties. That negotiation is going on. Then, take the case of hotels. If you invest a crore of rupees on the hotels and occupancy is 65 or 70 per cent I am told that Rs. 18 lakhs per annum has been offered to the N.D.M.C. If it gives so much to N.D.M.C. with this much investment, and it is sustained, it is quite a creditable state of affairs. But it is only when the calculations of the N.D.M.C. turn out to be correct. But I have got my misgivings on that.

"We cannot make any progress if we merely look to our day-to-day work. You have to take a long range view whether you are an administrator or a politician by any means went to capture power. Having captured it, they must retain it. The five year objective will to that extent get toned down. If it comes to the price of paying for democracy, we are paying for it. To some extent in the shape of inefficiency and to some extent the things are not moving. But let us have that delicate balance between these two things."

A next participant said : "Some ideas of Mr. Sah are worth trying. For instance, the land development and shopping areas and also the cinema houses and cinema sites, are some of the proposals which may be considered by us. Now in this connection it is entirely a fallacy if we think that the machinery cannot be geared and there is corruption from top to bottom. We take the fact that it is there, but in spite of that we have to think ahead. We cannot say that everything is bad. That is a very pessimistic note. You will have to plan, and planning is necessary. I hope some way in between these two things will have to be considered."

The Chairman said : "I did not want to ask my Commissioner to express his views, but now that the problem is raised about the executive *vs.* the politician. I would now request the Municipal Commissioner of Baroda to express his point of view."

Taking the floor the Municipal Commissioner of Baroda said : "Mr. Chairman : After several views have been expressed since this morning, there is very little left for me to add ; but I would like to touch on the experience that I had during the last 11 months as the Commissioner of the Baroda Municipal Corporation. It has been a very rewarding experience. The municipal corporations and municipalities function

under the State sector, that is under the Second Schedule of the Constitution. Therefore, there is a considerable variation in the attitude and approach of different State Governments towards the local bodies. This point was discussed at very great length at the last conference of Municipal Corporations in Trivandrum and a view was expressed that it would be desirable to have a common national code for municipalities, which could be enacted after attaining the consent of the State Governments, so that a common approach and a common standard could be adopted in respect of municipalities whose functions are essentially the same all over the country. I would appreciate very much if this point could be taken up by the concerned Ministries of the Government of India.

"Another problem which arises, so far as resources are concerned, is that of the encroachment of the State and the Central Governments on municipal revenues. Very pertinent illustration of this would be that in Gujarat State itself where the revenue from the sales tax was only Rs. 6 crores when the State came into being in 1960, the revenue has now touched Rs. 47 crores in about 8 years' time. Most of the revenues come from the urban areas and nothing of it is shared with the local bodies. It is, of course, very difficult to accept that the State Governments share their resources with local bodies, because they are themselves short of finance, but that is very important because each State Government gets Central assistance for their schemes and this point was also effectively discussed at the last conference of Municipal Corporations when it was suggested that we could think in terms of a Municipal Grants Commission, like the University Grants Commission. The University Grants Commission is a centrally sponsored organisation and it distributes the resources of the Centre between the various universities in the country. It is possible that with an effective Municipal Grants Commission, distribution of Central resources could be made adequately between the various municipalities commensurate with their programme of work, their long-range planning requirements and so on. These attitudes take a long time to crystallise, because essentially there is a considerable resistance from the State Governments in obtaining a common agreed formula for all the State Governments. In the present context of our needs it is rather

difficult. I really wonder that we will have such an institution functioning."

Giving illustrations the speaker pointed out : "Within our limited resources in Baroda we have been able to solve many of our outstanding problems essentially by obtaining an attitude of cooperation and understanding between the different sections of citizens. For instance, the industry which has developed very considerably in Baroda in the last seven or eight years, has been contributing its due share not so much through taxation as through participation in capital development programme. Similarly, the housing programme in Baroda which has probably involved a private investment of about Rs. 7-8 crores, apart from the public investment, is really in the nature of financing a capital project. In the housing societies, we charge about 50 per cent of the cost of electrification of street lights and other facilities. Similarly, for development of the land we charge 50 per cent of the development cost. With this pattern of sharing of expenditure we are in a position to relatively reduce the burden of the capital cost of the Corporation to a considerable extent, and we are able to concentrate to a great extent on the main roads and other facilities which the Corporation is required to give. Besides that we are every year floating public loans between Rs. 1 to 2 crores to finance our capital projects.

"We have noticed that indirect taxation is not so much felt as direct taxation. For instance, if a man spends Rs. 40,000 on a house, he is hardly reluctant to spend another Rs. 1,000 on water and drainage connection. I think that would be a very reasonable and effective way of raising our resources and financing our development projects.

"Another point I would like to make is that the Baroda Municipal Corporation has developed a very healthy trend. We are in constant touch with the representatives of industry and trade so far as our taxation and other resource problems are concerned, and on every occasion we have found that they are willing to rise to the occasion and share with us the relevant cost of the expenditure that we had to incur. For instance, when we made a huge drainage line to take off the affluent of chemical industry, they shared about 35 per cent of the cost. I think this would adequately meet the point.

"So far as town planning is concerned, we in Gujarat function under the Bombay Town Planning Act, and under this scheme we lay out the future development of the city where we reserve certain areas for public purpose. The pattern under the Bombay Town Planning Act is that the compensation to be paid for the acquisition of these lands for public purpose is to be adjusted against the development cost of the area, the development naturally is not done in one year. It may take about 7-8 years depending on the resources and facilities required. But we can immediately take possession of the land in advance without having to pay compensation, and this land can be suitably developed, part of it, can be sold out to private investors for shops, etc., part can be developed by the Corporation itself. We have worked out that with an initial investment of about Rs. 10-15 lakhs, we would get a return of nearly Rs. 50 lakhs in about three years by sale of land. This is an aspect of the revenue earnings which, I think, municipalities can explore."

The Chairman at this stage said : "Before I switch on to the new speaker, I would request Mr. Sah to clarify the points raised by some speakers."

Taking the floor Mr. Sah said : "Thank you Mr. Chairman. I am conscious that there is very little time and, hence, I would touch briefly on a few points made by some of the speakers. One point made was about the attitude of the Government. I am in full agreement that the attitude of the State Governments in general has not been very positive and encouraging towards the local bodies and urban development in general. What we are actually pleading for is that the State Governments would not any more neglect local bodies, as has been done in the past. And the State Governments can intimately get themselves involved with the subject of urban development. Let the local bodies take certain initiative and get certain five year plans prepared for their urban areas and pass it on to the State Governments to be incorporated in the State plans. What happens today is that the local bodies are not prepared in advance with the plans, with the result that when they go to the State Government, their arguments do not cut much ice. At the same time the State Governments must not neglect urban development because they are the nerve centres of the

State. This sort of awareness is slow to come but, I hope, it will come.

"Then, a point was made regarding the administrative machinery, though the question of administration was not supposed to be within the purview of the discussion. That is why I did not deal with it in detail. But it is very true that unless there is a commensurate administrative machinery, planning and development cannot be undertaken. At the same time, when a community has accepted certain objectives, certain goals, the administration has to rise to the occasion and has to build a machinery that will deliver the goods. After all when national planning was started our administration was not fully geared to undertake the huge planning but, by and by, it was done. Similarly, in the case of urban local bodies also, their administrative machinery has to be geared to the task, and if administrative machinery is deficient that deficiency will have to be removed.

"So, it would not be correct to get unduly pessimistic about things. Of course, a certain degree of caution is necessary, but caution should not be equated with undue pessimism. Progress is made by undertaking new experiments and bold adventures. Unless you experiment with certain things, you do not know the things. Mistakes here and mistakes there do not matter much. But it will be worthwhile to make mistakes rather than not to undertake a programme at all."

The Chairman thanked Mr. Sah for certain clarifications and said : "Now I would request Dr. J. Madhab, who hails from the Calcutta Metropolitan Planning Organisation, to speak on expenditure planning. Let us have the benefit of hearing him."

Dr. J. Madhab said: "In the list of speakers of this Seminar, I notice that I am the only one who is coming from an organisation currently engaged in the preparation of metropolitan development plan and as such, I think, I should speak about our experience and problems of expenditure planning which is the main theme of this morning's discussion.

"I would not like to deal on the methodology of expenditure planning. Rather, I would focus on a few important issues in expenditure planning that need deliberations and thoughts. I shall, therefore, only raise those issues for discussions. My object is to provoke thoughts.

“Let me, then, come straight to the issues and problems. First, in order to make meaningful and effective expenditure planning, a proper institutional framework is necessary. Bombay Corporation, for example, having jurisdiction over the whole of metropolitan region and control over a large number of functions both purely municipal and public utility type, has a much better framework than that of Calcutta. The Calcutta Metropolitan District (C.M.D.), unlike London, Bombay or Madras, is not a single coherent unit of local government. The C.M.D. covers an area of 400 sq.miles with three municipal corporations, 32 municipalities, one cantonment, one notified area authority, and 36 non-municipal urban areas. All these local bodies are governed under different acts having different tax powers. The concept of C.M.D. is accepted for planning purposes, but, as an administrative jurisdiction, it has yet to take firm roots. Lately however, with the passing of the two acts, namely, the Calcutta Metropolitan area (Use and Development of Land) Control Act, 1965, and the Calcutta Metropolitan Water and Sanitation Authority Act, 1966, a beginning has been made. The framework of government in C.M.D. follows the usual pattern in federal countries with a large number of central, state and local agencies having various functional responsibility and jurisdiction. The port, airport and the railway system including the suburban are with the Union, while at the State level various directorates; public health, roads, housing and education, etc., have important role to play in the development of the area. At local level, besides the local governments mentioned above, the State has created two urban development agencies, viz., the Calcutta Improvement Trust which has been in operation since 1911, and the Howrah Improvement Trust on the other side of the river. The State Government runs the transport services now—both buses and trams and also provides for gas and fire protection. Electricity is being provided by a public limited company. The functional responsibility of urban local government, now elected on adult franchise, is restricted to pure municipal functions: water supply, sewerage, drainage, public cleansing, road maintenance, lighting, primary education, prevention of health and control of building operations. Besides these multi-dimensional functional planning agencies, C.M.D. suffers from excessive multiplicity of implementing agencies. In the field of

traffic and transportation alone there are about 64 different agencies working in different jurisdictions; the control of these agencies is not with a single local government or with the over-all planning authority.

“With all these multi-dimensional and multifarious agencies, it is immensely difficult to plan meaningfully and effectively for the area, particularly if the planning authority does not have control over the budgets of these varied agencies or has a tax base of its own. This difficulty, however, can be overcome by (1) amalgamating all the local authorities into one, thus creating a giant corporation like Bombay, or by (2), creating a federation into which all the existing local authorities would belong as constituent units like the pattern prevalent in London and Toronto, or by (3) creating special purpose authorities for specific functions. Calcutta has opted for the third alternative with reform in the local government structures for socio-political reasons. It does not, however, entirely solve the problem. It only gives the special purpose authorities jurisdiction over the entire area. As this alternative solves some problems, it creates the added problem of coordination and budgeting. However, this additional problem may be solved by giving the overall planning agency statutory powers for capital budgeting and review of all plans and programmes of the constituent planning and development agencies.

“I should like to dwell a little more on one specific problem relating to the creation of special purpose authorities. These authorities, being local government in nature, share the same tax base, mainly the property tax, amongst themselves; and the municipal governments are very reluctant to do so. Hence a continuous political struggle goes on. This sharing has, however, been done more or less successfully elsewhere; but in India its actual operation is yet to be seen. Presently we are witnessing a struggle between the Calcutta Corporation and the newly created Calcutta Metropolitan Water and Sanitation Authority over sharing the property tax. The basic point is that neither of them can survive without proper taxing powers. Municipal Corporation with directly elected citizens' representatives are the worse off, while the State created special purpose authorities with indirect representations do not have to face the electorates and can thus get away with additional taxing measures. The

point that is being driven home is that without a proper institutional framework, a meaningful and effective expenditure planning is extremely difficult if not impossible.

"The second problem is one of selecting right priorities and the right method of financing. It is an accepted democratic principle that people who pay should have the say on the needs of the community. The people show it through their voting preferences in the elections or otherwise. But the specific nature of the metropolitan city gives rise to a big problem. A metropolis is distinguished from other municipalities by a large measure of interdependence between the "catchment" or hinterland area and itself. For example, the metropolitan Calcutta daily absorbs a vast number of commuters from far and distant places, attracts immigrants in search of employment and facilities, and provides vital links and service facilities to the vast hinterland. As a result, the local government has not only to provide services and facilities for the citizens of the area but has also to extend them to a group of beneficiaries well beyond the territorial limits of local government. This group of people does not pay any local taxes. For example, metropolitan Calcutta has to provide a vital link bridge in the river Hooghly not only to serve the needs of the local people but also to meet the claims made on it by the commuters, the transport economy of the hinterland and by defence needs. It is these external economies or what may be called the spillover effects, generated by metropolitan civic services, that justify the magnitude of investment that is generally demanded on a metropolitan government. If a metropolitan government representing a local government were to make investment decisions regarding civic amenities there is no reason to expect that it would be willing to finance such a high level of investment.

"To persuade it to go in for investment up to the level demanded by all beneficiaries concerned, there has to be an understanding with higher levels of government representing those other beneficiaries that they would participate in meeting the cost. This is why the metropolitan cities, though usually richer than surrounding areas, expect and usually get large subsidies from outside. The importance of external economics in justifying the investment in metropolitan infrastructure is, however, not explicitly recognised. As a result, there is general resentment

towards what are considered unnecessary subsidies to the rich metropolitan cities from the rest of the nation.

"There are even more serious consequences of the misunderstanding which directly affects fiscal planning. Planners of metropolitan services do take account of these external benefits in making investment decisions, but since this is not spelled out at the time of such decisions the participation of external beneficiaries in each scheme does not automatically follow. Consequently, investment decisions are often made which are not strictly in line with the preferences of people who are expected to pay. They, therefore, do not agree, or fail to pay for the adequate maintenance of the infrastructure, while external payments also do not come in as regularly or in as sufficient amount as expected. This is one of the primary reasons why most metropolitan governments are in financial difficulties. The problem, therefore, is one of identifying the beneficiaries and the related institutions with specific projects and programmes. Once these are identified, a dialogue on the cost of the project should precede the final decision on investment. This should be a continuous process.

"To solve the problem of taxing beneficiaries, other than local tax payers, it is sometimes suggested that metropolitan boundaries should be extended to include them. But this is a very difficult thing to achieve. For some projects the overspill may be restricted to a boundary close to the metropolitan core while for others it might spread over the whole region. The proposed bridge over the river Hooghly is a case in point. User charges, whenever possible, may be partly an answer to this particular difficulty.

"A final word about priorities. It is accepted that urban development planning has to be integrated with state and national five-year planning process. Urban development priorities have, therefore, to fit into the national and state priority system. This is in a way a restriction on local freedom. I suppose this restriction is necessary to ensure national priority and resource control.

"Thirdly, successful expenditure planning requires correct allowance for gestation periods of schemes. It can be easily demonstrated that a change in the flow of returns over time reduces significantly its total expected benefits, especially when

the rate of return, reflecting a high-time preference, is high. Yet most planning agencies and especially agencies planning for C.M.D. have no control over the implementing agencies. The outstanding example of this is the Emergency Water Supply Scheme for C.M.D. The scheme was scheduled to be finished in 1966, perhaps too ambitiously, but now shortages of materials, lack of effective coordination and generally inefficient implementation have meant that the scheme will not be finished till 1971. This has upset a lot of calculation about the profitability of the scheme and also that of other inter-connected schemes.

"The delay in implementation has very serious implications, in case expenditure planning is done on the basis of revolving fund or depends for loan servicing by user charges. If the scheme is one of the many undertaken with the revolving fund, delay in implementing can lead to failure of all the schemes in the project. The planning authority, therefore, needs to have the powers of reviewing the work of implementing agencies. It should also have the right and the flexibility to withdraw funds which are not being used, and transfer them to other schemes. In expenditure planning, moreover, careful weightage should be given to the availability or otherwise of an efficient implementing agency. Project programming can improve the matters because absence of proper project programming causes misallocation of resources. There are many instances in the budget where year after year money is being allocated but hardly anything gets spent. This misallocation results in tying up valuable resources for nothing for the best part of the year. This is due to failure in identifying, analysing and anticipating the work items and the time lags in the execution of the project.

"Related to the issue of correctly weighing implementing agencies and time lag is the problem of budgeting. Utility of budgets has enhanced considerably. Besides being a controlling and accounting device, a budget must now give a comprehensive picture of governmental activities in the economic fields and their performances. The legislators, economic analysis and people at large must be able to judge from analysis of budgets what relationships do governmental aspirations have with its performance in general and the role of entrepreneurs in particular. Budgets now deal with financial results but not with physical achievements. Achievement of

financial targets does not, indeed more often than not, necessarily mean achievement of physical targets as well. The effectiveness of money spent on projects cannot be judged from the present budgets. It is, therefore, necessary to relate financial outlays with physical achievements. It is not a difficult task. Budget reporting could be made more comprehensive so as to include the performance aspects and the impact of governmental activities on the economic field without sacrificing the other two aspects, namely, legislative control and financial accountability. These are the three points I wanted to raise. I thought that these points have not been adequately discussed before and, perhaps, this is a forum where one could really discuss this point. My experience is based on the metropolitan city of Calcutta. I do not know how many of you are coming from metropolitan cities and have the same difficulty and yet I would like you to discuss this problem. Thank you."

One of the participants said: "Mr. Chairman, we have been given a resume about 'Planning Expenditure'. So far as the civic bodies are concerned, they have two types of budget—one is the recurring or revenue budget which takes care of the maintenance, continuity of service, day-to-day administration. In Delhi Municipal Corporation, we have Rs. 20 crores budget, for education, sanitation, hospitals, etc., this budget which is raised by taxing the population living in the area naturally cannot be expected to finance the capital schemes of development of that area. As I pointed out yesterday, our problems mainly arise by the increase in population, not the natural increase of population of the local inhabitants, but by the ever increasing influx of immigrants from the neighbourhood, as has also been pointed out by many speakers. This is natural because of the industrial growth, because the ever-expanding desires of the people for bettering their lots. That definitely places a big burden and responsibility on the civic bodies. In the planning of this type that we are considering today, as of the metropolitan area of Calcutta, which my friend has pointed out, I will again submit that the first consideration should be for the expenditure we require. We should undertake some productive schemes. Unfortunately, all non-productive schemes are passed on to local bodies by the Government from time to time, and they simply put a burden on the civic bodies.

"In Delhi, during the Third Plan, schemes worth Rs. 250 lakhs of recurring expenditure were initiated at the instance of the Central Government but at the end of the Third Plan the Corporation was asked to carry on the schemes without any grant from the Centre. The civic body was, therefore, put to difficulties and that naturally created trouble. In Delhi we have 575 sq. miles of area. Ours is the second biggest corporation in the world, after Tokyo. Now this area consists of 300 villages attached to us, and the problem again arises that of the influx of population which require civic amenities, like water supply, etc. My simple suggestion is that those who take advantage of the services should be made to pay for them. We cannot go on taxing the existing population."

Taking the floor another speaker said : "I was a Member of the old Delhi Municipal Committee, and I was also connected with the Municipal Corporation of Delhi when we were making the Delhi Master Plan. So I can give you some ideas on planning of urban areas regarding administrative, financial and technical matters. Though the main point today for consideration is planning, whether it is financial planning, development planning, we have been deviating somewhat from the main subject, and now, I am not sure, whether at the end of the 2½ hours discussion we have been in favour of planning or not. What my friend from Baroda has said is laudable. He has said that last year in Baroda there was acute shortage of water and now on account of the execution of scheme for water supply which will be nearing completion within the next few months, they will be meeting the needs of the population for the next 7-8 years. From this we draw a moral, and that moral will be for the country as a whole, because we should plan on a long-term basis keeping in view that there can be droughts and water supply can suffer. And as a result of the past experience we can solve our problems on a long-term basis. Now, my contention is, should we not apply this particular process of planning and execution to face the problems that arise? Demand for services will increase as the population increases. For instance, when we were making the Delhi Master Plan, I thought that even 55 gallons of water was not adequate for one person. But, even if we plan for 30 gallons a day of water, keeping in view the hygiene of the city, this has

to be achieved. We have to meet the actual and growing needs of the people. My reaction is that the money cannot be made available without proper assessment. But it is a useful exercise to find out what the dimensions of the problems are and how much money is required to solve the problem over a particular long period. Suppose we say our plans are unnecessary because we have no money. But planning by itself is essential and useful, and calculations should be made of the requirements over a period and of the available resources. There are, and there may be shortfalls, no doubt, but you at least can decide what are the priorities over a particular period of time. As a citizen it is my duty to see how the problems can be solved. Whatever the authority, it is meaningful and purposive to have a plan so that we know where we stand."

Concluding the morning session's proceedings the Chairman said: "Friends, you had the inspiring speeches on planning. The difficulty with us is that we are talking about the attitudes of Government. Who are these people in the Government. They are like us. As has been pointed out, and very correctly, let us start doing something. It is no use getting frustrated, though circumstances so warrant. You are the leaders of the society. As my friend observed you are in position to control the situation. I am very thankful to all the speakers of this morning who have contributed to the discussion."

AFTERNOON SESSION

Shri N.L.D. Choksi—the Mayor of Baroda in Chair

Starting the afternoon session, the Chairman introduced the two experts, Dr. S.P. Agarwal and Shri A.P. Saxena. He said: "Dr. Agarwal is Head, Manpower Economist & Statistics Division in the Institute of Applied Manpower Research and Shri Saxena is Director, Committee on Plan Projects, in the Planning Commission. I shall request Dr. Agarwal to give a discourse on the subject of Manpower Planning."

Taking the floor, *Dr. S.P. Agarwal* said : "Mr. Chairman, Dr. Khosla, Prof. Mukharji and Friends : Manpower is now-a-days an important item of news. But what we hear is about one category of manpower, viz., engineers. We see that the problem of unemployment of engineers is being discussed at high levels, in Parliament, in the Cabinet and in other groups. In this Seminar we shall try to discuss the implications of manpower planning at the level of the municipalities. For that purpose we have to confine our attention to those manpower categories who are employed by municipalities.

"In general, the word 'manpower' can denote all the workers in the country, including all our agriculturists, all those who are working in the factories, who are working in the shops, in other establishments, offices and so forth. So it is a comprehensive term that way, but as far as municipalities are concerned, the main categories of manpower are determined naturally by the activities which the municipalities do. For example, we know that municipalities look after certain level of education, say primary education or secondary education. This means that the municipalities must employ teachers and in fact teachers in primary and secondary schools from the single largest manpower category that municipalities employ. The other activities of municipalities depend on how large the concerned cities and towns are. In cities like Delhi, Calcutta, Bombay and Madras there are important problems of transport,

electricity, water supply and so on. Now transport activity will require special types of manpower, for example, bus conductors, bus drivers and those who organise the transport activities of the municipality. Similarly, water supply problems will require engineers who construct the pipelines and storage and cleaning facilities and other personnel who make sure that we get pure and clean drinking water in our homes and schools and offices. Similarly, public health and sanitation activities require qualified doctors, public health officers, public health inspectors and health technicians. In the dispensaries, they must have qualified physicians, nurses, compounders and others who look after the health of the persons. For checking adulteration of food and other things that are sold in the cities, they must have qualified assistants in the laboratories to test the samples that they receive. All these examples show that depending on the activities of the municipalities, we know what categories of manpower work with municipalities and in the light of this we can discuss their problems.

“Of course, there are certain general problems which are applicable to all manpower categories. Whatever may be the type of activity, the persons who are appointed can perform their jobs satisfactorily and efficiently if they know how to do their jobs. The first thing about manpower what municipalities must ensure is that their employees should be qualified. There are certain qualifications, training and experience prescribed for each post. Unless the person who is selected satisfies these qualifications, training and experience requirements, naturally he is not competent to hold that job. But what I would like to stress is that in a place like the municipality (whose problems you are more aware of than we are), qualifications alone are not sufficient, because here are activities where the workers have to come in close contact with the public. They have to come in close contact with the citizens’ representatives and mere qualifications on paper are not enough. In the language of manpower planning we denote this idea by the word ‘motivation’. It means our attitudes should be such that we can carry out our responsibilities to the satisfaction of our employers and also to the satisfaction of the citizens for whom we are ultimately working. So qualifications, training, experience and motivation of right type—these are the basic requirements for

manpower that municipalities employ.

"We know that municipalities have to compete with other employers in the country in obtaining their manpower. A municipality looking for public health officers has to compete in open market because the same man who applies in response to municipal advertisements knows that he can as well join the State Government, the Central Government, private hospitals or other organisations. Thus the employers that we have in the country are competing amongst themselves in obtaining the services of qualified people. Now different employers offer different salaries, different scales of pay, different allowances, different conditions of work and there are differences also in security of service and promotion prospects. These are important considerations before a man can decide whether he will join the municipality or not. In fact we know that compared to other employers, the Central Government Departments on many occasions offer better scales of pay and, therefore, they may take away the most qualified and experienced people. They can also offer better prospects of development over time. It is not only the starting pay and starting facilities that a person looks at; prospects of his entire career and what he would ultimately get in 25 or 30 years may influence his choice.

"There was a Committee of Ministers appointed three years ago. They were considering the problem of town planning officers and they found that town planners at that time were not easily available to municipalities. They all wanted to join Central Government Departments with the result that municipalities had a very hard time attracting qualified town planners. The Committee felt that to attract qualified town planners and to be able to retain their services for municipalities, it was necessary that municipalities also offer comparable scales of pay, comparable emoluments and allowances and comparable security of employment and prospects of development. This ultimately depends on the capacity of the municipalities because the financial resources of municipalities are generally very limited.

"We have already discussed briefly the question of motivation and attitude. In the language of social workers, we stress the need for a spirit of service to people. In technical language

this is denoted by proper motivation and attitude and right public relations. There may be circumstances when qualified people ignore better prospects of development in other organisations and prefer to go in for the public relations and the spirit of public service available in the municipalities. However, in the present atmosphere in our country, such cases are rare.

“Manpower planning does not stop with getting a man, putting him in position and then allowing him to perform his duties as best as he can. The employers, *i.e.*, the municipalities have a responsibility on their part also to see that if there are any genuine difficulties in the performance of certain duties by the manpower that they employ, they must try to find ways of solving such problems. In fact, it is a common practice now-a-days that no person, immediately after recruitment, should be put on his job right away, because no one, whatever may be his education, training and experience, can adapt himself immediately to the environment of a particular employer. Therefore, the first few months should always be regarded as a training period, for purposes of orientation to the circumstances in which he has to function. This training may be for a short period, say one or two or three months. But, really speaking, training is a life-long process ; man learns with experience and becomes more and more qualified as he receives practical experience and training on the job. Therefore, it is a question of long range development of the persons whom the municipalities employ. They should keep in mind that it is a two way process. The more the municipalities look after the training and development aspects of their employers, the greater will be the contribution that the employees on their part would make to satisfy their employers, the municipalities through proper discharge of their duties.

“There are two terms which are particularly stressed in the manpower field now-a-days. One term is ‘productivity’ and the other term is ‘technology’. Productivity is a common concept in the manufacturing field where you say that if a given number of labourers can produce more than before, the productivity per worker would increase. But this term may be used in other fields also. For example, if the municipal employees have the right environment and the right supporting staff, they can discharge the duties in such a way that with the

same number of employees the municipalities can get more output in the form of better supply of electricity, water, civic amenities, better maintained roads and so on. There is usually a certain norm specifying the minimum that a person should do to keep his job. An engineer and his colleagues may have to look after the maintenance of at least, say 100 miles of road to keep their jobs. But if the working conditions are good, if the red-tape associated with many of these activities is cut and if the municipal councillors take interest in these things and give their sanction expeditiously, it is quite possible that the same staff of an engineer and supporting persons can look after a much wider network of roads. This would mean achieving more results with the same staff and the same expenditure. This would mean that with the same manpower, the municipalities can satisfy the needs of citizens in a better way.

“The second term which is important is ‘technology’. We have recently seen that in Delhi many of the schools have been fitted with television. A generation ago no body could have thought that we in the city will find so many schools fitted with television because this is a new development in the educational field. This means that to get good results, the entire approach of the Education Department and of those who help it through the television programme is changing. The new requirement of persons would be for those who can maintain these television sets properly, who can ensure that the programmes are clearly received and all the students and staff members of the schools in which they are located benefit by this programme. If there are any schools in their locality where there is no television, they also should be accommodated in this programme. Therefore the requirement of persons and the test of efficiency of these persons is changing with the development of new methods and new technology. Similarly, we might think in the field of public health, drinking water facilities, transport arrangements and so on. There may be new discoveries of science and to keep the various programmes in good shape, the municipalities have to change the training requirement and the method of working of their employees. So the municipalities must have a flexible approach to these matters. They must be aware of new developments in science and technology which are taking place over time so that they can train or retain their staff in those fields.

“We had some time back a study by the Estimates Committee of Parliament as to what particular manpower categories should be stressed in the context of our present conditions. They emphasised the fact that technical personnel and administrators, that is the type of persons whom we have been discussing, viz., Doctors, Engineers, Teachers, Administrators, etc., constitute a very small percentage of total workers in our country. The total number of all these types of persons do not exceed even 5 per cent of all the workers in the country. The Committee, therefore, was of opinion that although we might stress these categories of manpower for planning purposes, we must not forget the larger groups of manpower consisting of ordinary workers and unskilled personnel. There is a strong force in this argument. Ultimately the efficiency of an Engineer or a Doctor or an Administrator or any other officer in charge of a programme depends also on the supporting staff that he has. We must, therefore, ensure, that the supporting staff consisting of middle level persons, junior level persons and unskilled workers play their due role and work as a team along with their senior officers.

“To conclude, we may say that manpower planning has to be viewed by the municipalities in a comprehensive way. Although their resources are limited and they have certain problems, they should try to encourage and give opportunities of training and development to their staff members. The municipal employees in their turn should perform their duties in such a way as to provide the maximum possible service to citizens. Thank you.”

A participant opined : “I am glad Dr. Agarwal has emphasised that training should be given the highest importance if we want to maintain good services, and I am glad he has explained that training is something of a continuous process, and that process starts from the very beginning. You would reap better results if your officers are trained, because at no other level you find a greater contact with the citizen than at the municipal level. So most of your headache comes because of the dissatisfaction of the citizen, and it is not difficult to please the citizens. The two requirements in any public service are : First of all an official should possess the necessary skills ; and secondly, as Dr. Agarwal puts it, you have to be properly motivated

to perform your job to the best of your capacity. This Institute deals with training of senior officials. Most of the State Governments and the Government of India have taken advantage of it. In fact the Institute is booked for the next several months for training. But whenever the Institute writes to the Municipalities, there is hardly any response, and from the Municipalities no fee is charged. You employ scientists today, he may have the highest qualifications, but you see how quickly the knowledge becomes obsolete. During the last 15 years the world has accumulated more knowledge of science than, perhaps, throughout its history, and during the next 10 years that knowledge will be doubled. I, therefore, would like to emphasise that what Dr. Agarwal has said is to be taken very seriously if we want to develop the type of services the citizens expect."

The next speaker said: "With regard to the points put forward by Dr. Agarwal, there are no two opinions. My feeling is that there is a complete lack of devotion to duty by the officials concerned, whether it may be top officials or the lowest staff. This is very clear, and it is fully indicated by the fact that in our Corporation we introduced an incentive scheme for realisation of property tax. I sometimes wonder why this necessity arose—incentive—additional remuneration in exchange of some additional work. I fail to understand that if a person is capable of doing a job, why should such a situation arise. It merely shows that most of the officers are merely concerned with their monetary benefits and salaries and do not pay proper attention to the work entrusted to them.

"Some times I feel that when a particular official gets aggrieved on account of diminution of chances of his promotion which he deserves, what happens is that he gets frustrated. Then he slackens in the performance of his duty. He goes to the members of the Standing Committee and Members of the Corporation during the working hours. Only if you consult his attendance register it will go to show that the officer was at his desk from 10 a.m. and 5 p. m. But he continues to roam about from one member to another. So the time of the Corporation is wasted. What I suggest is that a machinery should be brought out which can consider such disgruntled cases."

Praising Dr. Agarwal's speech, the next participant said : "Each employee should serve to the satisfaction of his employer. That is of course, the primary need, but the question is that the interests are many and unfortunately the interests are conflicting. Therefore, what I find is that the municipal employees who are intelligent enough become neutral and they do not take any decisions themselves boldly because the matter is controversial and there is no unanimity amongst the councillors on the subject. In such a situation the municipal employees become unhelpful and they try to save themselves rather than implement a decision. It is the practice which has been going on in the municipalities. Now the second question is of emoluments of the municipal employees. They get Rs. 75 or Rs. 100 or Rs. 125 in certain cases. In my opinion the pay scales in the municipalities should be somewhat higher. In Bengal the posts which carry an initial pay of more than Rs. 200 a month, prior sanction of State Government is necessary before an appointment is made. Therefore, I find that today if an engineer is not working properly or the Health Officer is corrupt, I am not in a position to dismiss him or suspend him from service, because to dismiss him and to appoint a new engineer we will have to await the sanction of the State Government, which will take 6 to 8 months at the minimum. Therefore, during that period of 6 to 8 months the whole municipality will be deprived of the essential services."

The next participant thanked the sponsors of this seminar in securing people of high calibre who came to speak on different topics. He was of the opinion that, "planning and training are necessary, and I thank the Indian Institute of Public Administration which is going to train the people who come from different municipalities. I think this scheme of city development plans should be sent to the State Governments, so that they may take note of it."

After having heard the previous speaker, the Chairman remarked : "I am inclined to feel that there should be a training course for the members of the municipalities also."

"We have heard the learned speaker, Dr. Agarwal, on the subject of Manpower Planning. I am very much thankful to him that though the subject was difficult yet he put it across very simply. Now, with your permission, I would request

Shri Saxena to speak on Resource Planning.”

Speaking on the subject of Resource Planning (Materials), *Shri A.P. Saxena* said: “Planning for efficient and economic working development of the programmes and/or projects of any civic body necessitates that the available material resources are used most economically and judiciously. Among the critical areas in Resource planning which needs special attention is that of Materials. As it is, there seems to be many times an insufficient awareness of this fact.

“Basically material planning covers a wide range of functions which affect the flow, conservation and utilisation, and quality and cost of materials. These functions *inter alia* include :

- (i) Materials Planning and Programming
- (ii) Purchasing and Inventory Control
- (iii) Receiving and Warehousing
- (iv) Storekeeping
- (v) Transportation and Handling, including inspection
- (vi) Disposal of scrap, obsolete or surplus material.

“In general, material planning, erroneously elaborated as only a stores function, is organised under a Controller of Stores/Purchases who is usually an omnibus official. His organisation is responsible for the entire gamut of functions including determination of requirements (quantitative/qualitative), procurement, receipt, inspection and disposal. While the need for utmost efficiency in this vital function can hardly be over-emphasised, the fact that the stores organisation responsible for materials planning to a great extent is the weakest link in the Municipal administrative hierarchy cannot be overlooked. Any in-depth analysis of a specific case situation in area of Municipal development plans will reveal serious deficiencies in the system. It is distressing that many times the elements and dimensions of the problem have not been identified with the result that valuable, scarce and capital resources are either locked or ultimately rendered surplus and obsolete to the detriment of the organisation.

“An indirect idea about the amount of capital involved in materials in respect of Municipal bodies, is available from a study of the trends in capital formation of some 55 local authorities, 1962-63 to 1965-66, based on a study by the Reserve

Bank of India Bulletin (April 1967). The investment involved in the form of materials, stores/spares, etc., is approximately Rs. 9-10 crores per year. For the period 1962-63 to 1965-66, it is of the order of Rs. 43 crores. The quantum of financial outlay involved in this specific area of resource planning indicates the need for a detailed look whenever the question of materials is referred to as a resource to be planned.

"It is estimated that in the country today there are some 2700 municipalities with an annual expenditure of about Rs. 350 to 400 crores. Assuming a rough guess of about one-third of this revenue as expended in materials, what we are talking is an outlay of Rs. 100 crores or so. This is a fair reason why the subject of resource planning for materials deserves adequate attention. In the area of municipal plans, the number of programmes and activities undertaken are admittedly far and wide in nature. They range from road building activities, water supply schemes, drainage scheme to schools, hospitals, health; sanitation and even electricity undertakings. Actually the diversity of these activities and programmes makes the problem of resource planning for materials more difficult and complex. As it is, in the country today, we are living in an economy of shortages. Many times the materials, whether raw materials or stores or spares are not available as and when needed. The economy of the shelf variety, when one could buy anything, anywhere is a distant cry. In many vital areas, for example, in road transport, stores and spares have long delivery schedules and involve specific, advance planning effort to incorporate future requirements in the related development plans. The need for adequate material planning is thus unavoidable. It may be for a project running into crores or lakhs or it may be for a spare part costing only a few rupees. The problem of planning for material is no longer a question of mere hunches to decide how much to buy, at what price and where to buy but something more. It has tremendous time and cost overtones, which are many times not fully appreciated. Today planning for materials as a resource is like planning for the right material in right quantity at right price of right quality and at the right time.

"Almost every urban local body has a department of Public Works responsible for a variety of assignments including

construction and upkeep of roads, pavements, public buildings, etc. The annual budget of such departments is also considerable. Of the 83 local bodies which furnished figures to the Rural-Urban Relationship Committee, 1966, 52 were spending on Engineering Services alone, more than 10 per cent of the total revenue expenditure, and 26 over 20 per cent. The expenditure attributable to materials is estimated at about 50 per cent of the total expenditure. In the year 1962-63, 8 corporations, 7 Class I cities and 8 Class II towns spent Rs. 392.13 lakhs on Engineering alone. The expenditure on account of materials alone is thus of the order of Rs. 1.5 crores.

“Similarly in the area of Water Supply, Sewerage and Sewage Disposal, Street Lighting and Public Health and Sanitation 24 local bodies (7 corporations, 7 Class I cities and 10 Class II towns) during 1962 spent Rs. 1658.14 lakhs. Estimating a conservative 35 per cent as attributable to materials, the expenditure in this category alone comes to nearly Rs. 480 lakhs. In this context the importance of materials, both in terms of planning and the sheer monetary outlay needs hardly to be emphasised. The role and need for comprehensive planning in the field of water and sewerage works was also carefully noted in a recent Seminar on the subject, which studied in particular, the financing and management aspects of such programmes.

“Sometimes back, perhaps a decade or so back, it might have been possible to straightway try to address the subject with only some experience and broad commonsense. Today, the problems of material planning have become difficult for various reasons, e.g., the complexity of operations and the related question of shortage of development funds. Today for many development plans we have to programme with rationed financial resources in order to meet the material requirements for a large number of often conflicting priorities and competing plan schemes. If this is so, the exercise of studying the question of material planning becomes extremely important and it is only necessary that we take recourse to the subject as it now stands developed under more scientific lines.

“Any scientific approach to study the subject of materials as part of the problem of resource planning, leads one to the subject of materials management. Today, materials management is no longer a science of Western import but an essential

ingredient of any organised thinking on the subject of materials planning. The usually large volume of funds remain locked in various materials or stores which are either partially productive or wholly unproductive, is not unknown to many of us. Apart from costing a good deal of money to acquire such materials, such inventories involve additional costs simply to carry them. Carrying costs of such items has three main components, viz., capital cost, cost of storage and handling and deterioration and obsolescence cost. According to conservative studies supported by some work done by us in the field, the inventory carrying cost in India is approximately 20 to 25 per cent of the total value. If, for capital cost, the market rate of interest is adopted, the total inventory carrying cost may as well be close to 30 per cent. Again if the opportunity cost of capital is adopted in respect of funds locked in surplus stores or materials, the total carrying cost may even approximate to 40 per cent. This implied, though hidden, cost is in itself an important reason for studying the subject of materials planning.

"As it is, in spite of a substantial appreciation of the subject by knowledgeable people, many times the concept of materials management as a tool for better materials planning has to be 'sold' to organisations, on the strength of tangible advantages as a way of good management.

"A short-term approach to the problem outlined earlier could be a two pronged effort, partly administrative and partly technical. The administrative approach may include :

- (a) Setting up a small group within an organisation and eventually training it;
- (b) Recognition of stores/materials management as an important function to achieve the objectives of materials planning;
- (c) Re-examination of existing procedures and departmental manuals which in many cases are obsolete and incapable of discharging the required functions; and
- (d) Outlining a plan to develop revised procedures and systems with a view to reduce capital investment and recurring costs.

The technical approach may cover :

- (a) Classification and codification of all material along with preparation of a stores catalogue;

- (b) Standardisation/simplification through sustained effort for variety reduction;
- (c) Development of specifications with a view to reduce their number;
- (d) Developing normal inventory control standards;
- (e) Determination of safety stocks, ordering levels and minimum and maximum levels, including A, B, C analysis.

“Here it is not proposed to go into the details of the administrative and technical functions as I have briefly indicated. Any well-developed materials planning group properly conceived will be able to discharge the above efforts provided the people at the apex in the organisation believe in the efficiency of the system and do not treat it as a mere management gimmick. It may be added that in some complex municipal enterprises involving outlays running into crores, materials planning today is being attempted on precise scientific lines. The gains achieved in such enterprises by a pursuit of the system, as a well-defined ingredient of resource planning, are now well known.

“The problems facing us in the area of materials *vis-a-vis* resource planning are not of a short-term nature. There is an intimate connection between the development plans of an organisation like a civil set-up as relating to the identification, determination, availability and eventual realisation of various resources. It is absolutely necessary that the subject of resource planning be approached with a serious realisation of the importance of materials inasmuch as faulty materials planning may make or mar the final development plans. The best and the most carefully drawn plans have been found to go wrong in cases where the importance of materials as a part of resource planning was not adequately appreciated. Perhaps in the area of Municipal planning, where a number of development activities compete all the time with the limited resources, the optimum utilisation of materials through scientific materials planning may eventually hold the key for the success or failure of civic planning. Thank you.”

The Chairman said : “Now the subject is open for discussion.”

Taking the floor a participant said : “Mr. Chairman, I thank the distinguished speaker for his valuable views and we assure him that we have been benefited by his views. The principles

mentioned by speaker with regard to purchasing the materials, spares, etc., in proper time unfortunately cannot be applied by the municipalities. According to the rules, nobody can go to the market to buy the things but tenders should be invited. Sometimes it so happens that even though the prices in the open market are cheaper than those quoted in the tenders, but we are forced to adopt this system as it is required under the rules."

Expressing his views on the subject the Chairman said: "In the matter of purchase of materials several difficulties were expressed by my friend, and the learned speaker Shri Saxena tried to give it a scientific approach. How best to put orders for right type of materials, is the question before us. The lowest tender gets the orders, but you have the over-riding powers if you give sufficient reason. Of course, municipalities have difficulties regarding sanction from respective governments. But, fortunately, we in Baroda have no such difficulty. We have given power to the Commissioner to go ahead with the projects up to a particular limit. He has inspired confidence in us and we have confidence in him. That is the human approach, human attitude. This is what is called for.

"In Baroda, when we have to purchase something, the matter comes up before the committee, and the committee passes it subject to the approval of the general body, and the Commissioner is authorised to purchase. Before the matter comes to the general body, the thing is already purchased and is in use. Thus, a lot of time is saved. You must have confidence in yourselves and in the authorities.

"I am glad that one expert dealt with the human problem and the other with materials, and these are very important aspects of our civic life. The man and the material—if they can work together, I think, there is bright future for our municipalities."

Clarifying certain points Shri Saxena said: "The Director General of Supplies and Disposals (D.G.S.D.) and the Director of Industries in the States have a rate contract which they have gone into. I understand from reliable authority that the municipalities are welcome to take advantage of this rate contract business. For example, things like steel furniture. All the Directors of Industry have a rate contract and they simply send

the letters straight away without any problem of tendering. The question about store is very pertinent, and I actually refrain from going up into it because of time, but since you have asked I might like to inform you that CARDEX Control, under which the history of each item is available in a small tray, is indigenously available and costs about Rs. 100 to instal. Actually the people who sell it, they will come to your municipality and design a card depending on your individual requirement. Lastly is the point about question of financial sanction and forecasts. This is very important point and in our study, perhaps, it is possible under the rules to plan. I am reminded of the study made by the Maharashtra Municipal Transport Service. I would like to use this occasion to say that this is one of the most efficient city bus service, and this is run by the Corporation and they have developed such an excellent set of procedures that all States should go and learn from their experience. It is better run than a private operation. They have delegation of financial powers at all levels and they work beautifully. Their vehicle utilization was over 90 per cent. It is extremely commendable and all we have to say is 'well-go-ahead'. Let other people come and study. Thank you very much."

The Chairman finally requested Prof. Mukharji to express his views on the subject.

Taking the floor Prof. Mukharji said: "Certain doubts were raised in the earlier discussions about the utility of planning in individual local authorities. The objective of the Seminar has been to help integrate urban plans into the national plan, and the more I listen to the discussion, the more I am convinced that they must receive national attention. I can see that public institutions like municipalities, which are running services, cannot afford to wait for materials, but if your requirements are put into the national plans, it is easier for the people to programme for those items, so that there are no lags. Shortage or surplus occurs because we do not know our needs. If things are planned, these shortages will not occur. Everyone should try to make a plan and send to the State Government and pressurise. They should make them know their needs. If, thereafter, you needs are not met, you will be able to criticize the Government. Otherwise they will say, we do not know what you need. I do not want to say beyond this at this moment."

The Chairman then said: "We have come to the end of today's session. It could not have been such a success but for the cooperation of all the participants. I thank you all very much. The meeting will start at 10 a.m. tomorrow."

MARCH 13, 1968

Shrimati Aruna Asaf Ali in Chair

Welcoming Smt. Aruna Asaf Ali, Dr. J.N. Khosla, Director, Indian Institute of Public Administration said : "Friends, it is for me a very real pleasure to welcome Smt. Aruna Asaf Ali to the Institute to preside over this Session. She needs no introduction to an audience of this type. A great freedom fighter and a great social worker, as she has also been the first Mayor of the Corporation of Delhi. She has devoted her life to the uplift of the masses, and I am sure you would like to hear her this morning.

"The subject today is 'Machinery of Planning in the States' and 'Planning and implementing Agencies'. The first speaker, Prof. H. K. Paranjape, is one of my colleagues in this Institute who has devoted several years to the study of planning and has contributed very richly to the subject. As you are perhaps aware, he was recently the Director of Studies and a member of the Study Team appointed by the Administrative Reforms Commission on Planning. I am sure you would like to listen to the speaker."

Taking the floor the Chairman said : "Dr. Khosla and Friends, I think it is a very good thing that this Institute is paying special attention to the municipal problems, and training is also available for those who need. For this, I thank Dr. Khosla and Prof. Mukharji. I will now request Dr. H. K. Paranjape to tell us about the Machinery of Planning at the State level."

Taking the floor *Dr. H.K. Paranjape* said : "Madam Chairman and friends : Unfortunately, I could not join your deliberations during the last two days. I must, therefore, plead my inability to link what you have been discussing the last two days with the discussion that I propose to introduce this morning. From the programme I find that you have been discussing different aspects of development

planning, and probably it is thought appropriate that we should have some discussion about planning at the State level so as to link city development plans with State plans in our understanding of the total developmental organisation. Many times, when we discuss planning in our country, we tend to forget that State plans constitute a very large part of our total development plans. The outlay of the State plans constitutes about half of the total public sector outlay in development plans. Even more important is the fact that there are certain sectors of the economy, crucial both from the economic and the social welfare point of view, which is almost entirely within the State sector. These include agriculture, the related sector of irrigation and power, road development and important social aspects of developments such as, education and health. As far as industries are concerned, even though the large industries fall in the Central sphere, the creation of conditions which would enable large industries to be located is within the sphere of the State, and we find that States are increasingly conscious of this interest and include in their development plans various programmes and projects which would attract new large industries to their States. The growth of medium and small industries is another important thing largely within the State sector. If we take the State plans as a whole, they are also important from the point of view of the total effort, the total outlay on agriculture and related sectors, irrigation and power and social services. These take up something like 80 to 90 per cent of the total outlay in a State plan.

“An important part of the distinction between planning at the State level and planning at the central level is due to the difference in the nature of sectors on which attention is focussed at the two levels. The public sector outlays, especially at the Central level, consist largely of direct investments in important projects, be they in industries or in transport and communications; mainly in the nature of massive capital investments through projects directly undertaken for construction and later for management by governmental agencies. At the State level, on the other hand, the nature of the development sectors that constitute an important part of the State plan is such that the State has to carry out activities for, on behalf of or through a large number of individuals and agencies and not so much

directly through various governmental agencies. Whatever development the State Government wants to introduce, encourage or carry out in the field of agriculture, ultimately for its success it depends upon its ability to educate, convince and persuade the millions of farmers to do things in a certain way and also its ability to provide them the wherewithal for this purpose. Putting up a steel plant is not exactly an easy task; but it is relatively easy because it is something which the government can build up through a comparatively small agency, at the most consisting of a few thousand members. You can recruit, educate, train and organise them and get things done through them. But when you think of a sector like agriculture the task is much more complicated. It is not the question of a few hundreds or a few thousands but of a few millions scattered over a very large area ; they have to be approached, educated, and supplied with fertilisers, seeds, and so on. The real task of planning at the State level in some ways is thus more difficult and complicated than the task of development planning at the national or central level. An easier part of State plans is large projects in irrigation and power, not minor irrigation but major irrigation and power projects. The Projects involve a large amount of money, technical knowledge, designing capacity and other engineering skills. The real difficult problem arises when a large dam is ready, when even the major channels are ready and the question comes of having field channels to ensure that the water which moves through the large canals actually reaches the farmers' fields. Even more complicated is the task of getting farmers to see how he can best utilise this water, how he can develop his land, so that his land can profitably use that water and not be adversely affected. If you want education to spread, you have to do it through large numbers of schools scattered all over the place, to ensure training of teachers, etc. The same is true about public health. The special nature of State planning is related to the sectors that are involved. The problem is much more complex and difficult than planning in the Central sector.

“This being so, the nature of the organisation required for plan formulation has also to be different and suited to the requirements to this type of development. Because the development effort has to be dispersed in these sectors, it is

not something that can be centralised, and conducted successfully merely through having a good agency in the State capital. Of course, you need a good agency in the State capital. But that is not enough.

“Another aspect of the problems, with which you are more familiar, is the nature of the spatial distribution of population which changes as a result of developmental activities. As industries get established, as a larger and larger part of the economy gets monetised and there is more trade, barriers between villages and districts get broken down and people become much more dependent for various supplies on outside resources, outside the village, the district and the State. Trade becomes more and more a part of the local economic life. The spatial distribution of population changes. One of the clear indicators of economic development is the degree of urbanisation. As economic development progresses, the distribution of the country's population between urban and rural areas changes. Establishment of industries and development of trade both lead to urbanisation. This creates problems for the existing urban areas which become flooded with immigrants. New urban areas emerge either because of the establishment of new industries or due to some other reasons. This has happened in many developing countries of the world without anybody consciously thinking of this or pre-planning for it. This has also happened in the already developed countries during the last 100 years. The process of urbanisation had started in India even 100 years ago. But this was not planned, it was haphazard. Just as an essential aspect of developmental planning is that an attempt is made to foresee the problems that are likely to arise and ensure that whatever bottlenecks and gaps that are likely to arise, are taken care of in advance so that difficulties do not become acute. If we find, for example, in looking at the perspective development of the country that private individuals would take care of, say, the textile industry or the refrigerator industry, but that nobody would take care of steel, power or machine tools, then one of the important aspects of developmental planning is to see that this is how this development will take place. There are areas where development will take place by people's own efforts and there are others where, probably, there would be significant gaps because

nobody would be either aware or capable of undertaking development. There some special effort has to be undertaken to see that bottlenecks do not arise. We attempt to avoid this type of difficulty by advance planning. The same applies to the problem about the changing spatial distribution of population. If you are really attempting developmental planning, you do not wait till an urban area has grown because of location of factories or because it has become a trading centre. You must not be found napping and then deal with slum clearance and other problems. To the extent you have worked out your development plans, therefore, you take advance steps to meet the problem. Of course, it is true that in many of the urban areas problems have already overtaken us before planning was attempted and there we have to look at the backlog of the problems. When there is a backlog as there is in many spheres of the economic life, the problems that are arising are even more important and so is the policy to meet them in anticipation. In spite of our taking up developmental planning in a systematic way from 1950 onwards, we have not given any attention to this problem of changing spatial distribution of population and the problems that arise as a result.

“Should we allow the urban areas to grow beyond a particular size ? Should we allow further industries to develop in certain metropolitan areas ? What steps should be taken to prevent the growth of an urban area beyond the optimum size ? What should be the policy about the location of industries ? What is the policy for the development of transport ? . . . And so on and so forth. Somehow, this aspect of development planning has not received adequate attention, one reason being that plan thinking and a systematic development plan organisation, has really uptill now existed only at Delhi. Not that the Planning Organization in the Yojana Bhawan is perfect ; but at least there is something, a group of people thinking about particular sectors and trying to find solutions. When it comes to States, there is hardly anything in the nature of plan thinking and a group of persons who are really continuously, permanently and full time devoted to this task. There are Planning Departments in States. But like most departments they are manned by people who are there today and not there tomorrow. They are mostly generalist officials with hardly any

sprinkling of social scientists who are supposed to be devoting attention to the problem of development planning in a State. That is why State Planning as a whole has been very inadequate and defective. Largely, State plans have been a replica of the centrally supported ideas about State plans. This has, of course, been facilitated because the Centre many times provides money on a matching grant basis, sometimes on a cent per cent grant basis, provided the State accepted the pattern of Development schemes, of development organisations, and so on worked out by some people in the North or South Blocks or the Yojana Bhavan. This approach of Delhi, combined with a lack of appropriate thinking apparatus of planning organisation in the States, has contributed to this utter inadequacy of real thinking about the actual requirements of development planning in the States. And that is why, whether you take fields like agriculture or urban development, you find very little real advance thinking and planning done by any State.

“If you go further down, there is, of course, even less of planning. The States at least have a semblance of Planning Development Departments; they produce Five Year Plans, Annual Plans. A few projects are put together especially projects where large investments are involved—irrigation and power and so on. But when it comes to Districts or Panchayats, or when it comes to Municipalities and Corporations, there is very little of any kind of development planning. Town planning has caught some attention but development planning has not. Moreover, you cannot plan for a town by itself; you cannot plan for a Taluka, a Tehsil or a District by itself. For the development of urban and the rural areas, planning has to be thought of together, because these are bound to affect each other. This has usually been lost sight of in the administrative organisation for planning in most of the States. These, in short, are the major lacunae in our planning apparatus in the State and lower levels.

“Now what can be done ? It is in my view necessary that it is accepted all along that development planning is not an amateur’s task. It is not something that can be done just by anybody. It requires expertise, and expertise is something that has to be created. So the necessity for plan expertise at different levels in the State. It

is recognised at the Centre that we need people who know planning, who are capable of thinking about development plans and trained in the techniques involved, who devote their whole time and attention to this work and who will be involved in such work for a substantial period of time really to be able to achieve something. An organisational structure must be built up where development planning at different levels can be properly coordinated; proper organisations have to be created which would take care of the plan problems of given areas and at given levels. Planning, it is many times said, has to be a two-way process. If it is to be successful it cannot be a one way process. Plans cannot be created at the one place at the top and dictated to agencies further down below, not only because of the democratic objectives that we value but also because it is just not possible for successful planning to be operated as a one way process.

“While somebody sitting at the apex can see the broad outline, the contours, in an overall way—this is what we want to achieve, and these are the things which are to be done in different sectors and in different regions and so on—the question like how far this can be done has to be tackled in different ways. If agriculture is to be developed, how it can be done in the given area, whether we should give more attention to animal husbandry or to dairy farming, if we have more irrigation, what crops can be developed in our conditions, what kind of change in soil management, land organisation should we best have, this is something that can only be thought of, and worked out, at the local level by the people concerned.

“Initially there have to be general indications and directions in which the work of plan formulation is to be formed. On this basis ideas, programmes, requirements, etc., have to be worked out at the lower levels and sent up so that the plan for the country as a whole and for the States would be adjusted accordingly. This would again be conveyed down. This is the kind of continuous two-way process that is necessary for successful development planning. For this to operate we must have appropriate planning agencies at all levels. At the State level we should have State Planning Boards, not in the sense of their being sub-committees of the Cabinet as in some States, not in the sense of three being

appointed persons who could not be given cabinet posts, or persons who were defeated in elections, but units where you create a group of intelligent experts who are in a position to build up the long-term as well as the short-term development plan for the State, who know the problems of the State, will take stock of the State's resource, think out the development possibilities of the State, coordinate their own resources with the possible assistance from the Centre, and then put up a realistic plan of the State. This work involves not only planning boards at the State level but also groups of experts in the different development departments whose task is to work out the long-term possibilities of development in the particular sectors. A large part of departmental officials, in any department, are bound to be involved in day-to-day work; and lot of important work is involved and is continuously going on. But there must be a few persons with experience of the development sector and who have the attitude, capacity and interest to think on the lines of future development in that sector, who combine vision, devotion and technical knowledge and who can constitute a kind of development planning cell for that department. It is these people who should be all the time thinking of what has to be done not only in the next year or two but about the picture of development as they can envisage over the next 10-15 years. On this basis they have to build up concrete proposals and schemes which would lead to the attainment of that plan. They have to work out programmes that could be taken up next year in the context of what has to be achieved in 5 or 7 years. There is a gestation period, a long waiting period involved before what they think of can be actually done. Many times if you do not take action today or tomorrow, you may not be able to attain what you want to attain after 10 years. Take the simple example. If you are expecting that your urban population is going to increase by so many millions in the next 10 years and you have to provide for their requirements, say, of drinking water, you may have to build a water reservoir somewhere and it may take 5 years to build. If you start planning for it early only then you will be able to achieve it by the time required. To take another example, if you think of what you are going to require by way of engineers by such and such year,

which is 50 per cent above your present availability, it takes 4-5 years for an engineer to be trained ; it might be three years before we can set up a new engineering college. You have, therefore, to note that you can get the extra engineers you require only after a gap of 7 years. So this kind of long waiting or gestation period is involved in many sectors of development planning. Planners have to be people who can think ahead in a coordinated way and suggest the action that should be undertaken and initiated now in order that you attain your projection of tomorrow, you have to organise planning cells in different departments and these must be in touch with the area agencies and the field agencies.

“Before concluding, may I briefly indicate the kind of agency that I have in mind at the level below the State level ? Leaving aside some large metropolitan areas whose problems are different and might require a separate solution, the planning agency should be an area planning agency which combines plan formulation for both the urban and rural sections in a given area. The execution of the development programmes would be naturally the responsibility not of this planning agency but of the Zila Parishads, Panchayat Samitis, municipal bodies, etc. When thinking about development for this area as a whole the inter-relationship between developments taking place in two types of areas has to be noted and plans formulated in a co-ordinated way, so that the developments in one can help developments in the other and not retard them. This may require a planning board for the area as a whole. Thank you.”

Taking the floor a participant said : “Dr. Paranjape has given very good account of the manner in which proper planning should be made. But I feel that there is complete lack of coordination between the Central and the various other agencies. If we look into the functions of our State Governments, we come to the conclusion that there are multifarious agencies on account of which there is confusion, things get complicated and delay occurs, and ultimately we fail to deliver the goods to the people. I strongly feel that after all government is of the people and for the people, and in a democratic way it is in the fitness of things that whenever any decisions are taken at least that section of people which are likely to be affected by these decisions must be taken into confidence. In our country,

unfortunately, the decisions are taken in an arbitrary manner, and the result is that there is hue and cry from people. Although the goals of the government as also of the citizens are the same, that is to bring prosperity in the country.

“Talking of the State level planning, I do agree that development planning constitutes an important part for the future of the city. But there should be complete coordination in the various departments and agencies, and I am sure, if coordinated efforts are made, there is absolutely no reason for dependency that the needs will not be fulfilled according to our expectations.”

Taking the floor the next speaker said : “Madam Chairman, I am grateful for the learned discourse on the principles of planning which has been given to us. I wish I could agree with Dr. Paranjape. But I do not. In India, plans are prepared by the experts while sitting in the airconditioned room of ivory tower—the Yojana Bhavan—who are not aware of the local conditions. The result is that the whole planning has failed. Plans, in my opinion, should be prepared at the local levels keeping in view the local conditions, and then these regional or local plans, should be integrated into the national plan.”

Illustrating his point further the participant said : “We have spent crores of rupees in building big dams and irrigation projects, and still we are facing famines and droughts. It is because our experts have thought only of the big irrigation projects neglecting the small irrigation works. If these planners and engineers had only taken the people into confidence, they would have known much more of the local problems that exist. But there is a taboo that people should not be consulted ; people should not be taken into confidence and everything should be done by the bureaucrats. Those who have no knowledge of Indian conditions, they are trained abroad ; there is premium on foreign knowledge and foreign training. How can they develop India ? So Dr. Paranjape, through you I would ask for a change in this emphasis of planning by experts. They can provide guidance, data and certain ways through which people can begin to plan, and when the people begin preparing plans, the problems would be solved. Madam Chairman, we must give up this tendency of disassociating the common men, the

social workers, the politicians from the very beginning in the framing of these development plans.”

The next participant said : “Madam Chairman, even in the fourth draft plan our planners have comparatively neglected the development of urban areas. Now to highlight, I would like to contrast the situation as it obtains in the rural areas. After the planning process was started in India, the Government started with the publication of the report of Balwantrai Mehta Committee and developed the rural-local government system. Panchayat Samitis and Zila Parishads were established and the system of rural-local government was completed. Not only that, the system of rural-local government was brought in relation to the process of national economic development in the sense that the community development programmes and national extension service were related to the functioning of the rural local bodies. Now, one may not agree with what the late Mr. Balwantrai Mehta had suggested, but the point was that some States were asked to make the local government responsible for development activities. The same is not the case with urban local bodies. Our urban areas are in a stage where they were at the time of Lord Rippon. Our urban community development is lacking initiative and it is suffering from inertia and lack of resources. If you want to prepare a plan for urban development, that requires a planning machinery and there is urgent need for urban local bodies to prepare the plans and become a part of the State planning process. Even in some cities where the plans for urban development have been prepared the States have not accepted them.

“My submission is that while it is necessary that urban local plans should be prepared, the first question arising out of this is : what is the machinery at the urban local level which will prepare the plan ? The plan is not an exercise which can be taken up by everyone. The technical side of it cannot be done by the politicians. You have to work out so many implications, you have to work out the inner balances of the plan and all this requires expertise. This type of expertise does not exist today in our corporations. Then, a large number of local bodies would not have resources in terms of personnel and money to do so. The State Government must set up organisations at the State level sort of technical cell, to help local bodies

in the task of preparing plan.

"Then there is the question of implementation of the plan. Even if we have prepared the plan, the question is of implementing and reviewing and re-adjusting of the plan. For this again we require a machinery at the urban local level. It seems that thought should be given as to how it is to be done. The activities of the various other governmental organisations will require to be coordinated in a manner that the plan will work in unison. How coordination is to be effected is another question on which a good deal of thought is required. These are my views."

Agreeing with the previous speaker the next speaker said : "The Government of India have neglected for the last 20 years the urban areas and devoted all the time, energy and money on the rural areas only. They think that the soul of India is in villages. Perhaps, the Congress Party is responsible for it. Though it is a fact that they have neglected urban areas and developed rural areas alone, this Seminar has been organised to impress on the Planning Commission and the Centre and the State Governments the need to plan for the urban areas also.

"The first problem of any municipality is slum clearance. According to my experience these slums are created by the industries. Therefore I would suggest that legislation should be made that unless these industries construct houses for their workers and provide basic civic amenities to them, they should not be granted licences. In my municipality when an application comes for a licence, we visit the place, and then there are about 20 conditions which an industry must satisfy before it can be granted licence. When we find that industry is willing to satisfy these conditions, then only we grant the licence.

"One of our friends has suggested that planning cannot be done by elected representatives, and yesterday the Commissioner of Delhi Corporation said that politicians' concern is to come to power and then to retain it. I think as there are good officers so we have got good and honest politicians also. Only the percentage may vary, because for the politician there is no qualification, no degree. We have to cooperate with all because without technical people things cannot be managed.

"Now regarding planning by the State, the State Government is compelling us to have annual budgets. Similarly, the State Government should make planning an obligatory function of the local bodies. I, therefore, would suggest that it will be a good thing if this Seminar impresses on the State Governments not only the need of annual budgets but also for five year plans. If these directions come from higher authorities, municipalities are bound to follow them. Presently, we are spending about 70 per cent of the income on payment of salaries, etc., of the staff. Very little is left for planning. So, the resources are very limited. I will suggest that the Municipal Grants Commission should be there to give financial assistance. I hope the Seminar will impress on the State and the Centre to direct the municipalities to prepare five year plans as they are now directing them to prepare annual budgets."

Taking the floor, the next participant said : "To me mental planning is more useful rather than physical planning. It is the mental attitude of big bosses, it is the approach to the urban development which is my concern. Urban planning prior to third plan was never thought of. We are given to understand, and a hope has arisen that in the Fourth Plan urban development would find some place. Therefore, if the central planning went into urban development with the support of local bodies, it would have the confidence of the local people and they will have the ability to carry out the plans. Unless this mental attitude is changed, at whatever level planning takes place, it will have no meaning unless the local people are associated with planning. What is planning? It is only a design to meet the hopes and aspirations of the people. Therefore, every one of us will have to keep this point in view while framing the plan. When they start a plan sitting in the ivory tower in the capital, without knowing the local conditions, what are they going to plan. I think much of our trouble will be over and, therefore, Madam Chairman, I shall observe that mental planning should be combined with physical planning. We should take the local people into confidence and only then the planning would be complete."

The Chairman then asked Mr. Bhattacharya to initiate the discussion on 'Planning and Implementing Agencies'.

Mr. M. Bhattacharya said: "Madam Chairman, Prof. Mukharji

and friends, the problem which I shall be taking up has already been briefly referred to by Mr. Sah. Of course, the solution that he has suggested may not be only one. I am going to raise two questions : who is going to prepare the city development plan, and secondly, who is going to implement the city development plan ? By posing these two questions I am not assuming that preparation and implementation are necessarily to be entrusted to separate agencies. Apparently these are simple questions but it is not quite easy to find out their answers. The agencies for the preparation and implementation of the city development plan cannot be considered independently of the functional and territorial coverage of the five-year municipal development plan. To put it more simply, what functions are going to be included in the city development plan ? That is the basic question. The institutions that will be involved in the preparation and implementation of the plan would depend very much on the section of functions for inclusion in the five-year plan. Take, for instance, the case of the Five-Year City Development Plan of Poona. The Plan consists of various development sectors following closely the functions which the Poona Corporation discharges. There are a number of agencies operating within the Poona Corporation area, *viz.*, the Housing Board, the Electricity Board, etc. There is a multiplicity of authorities and the Corporation, therefore, does not undertake all the urban functions.

“The Poona City Development Plan is concerned with only those functions which fall within the administrative jurisdiction of the Corporation. Alternatively, one could think of including the functions of other authorities also. Obviously, the functions for inclusion in the city development plan would not be uniform throughout India, and even if we think of a uniform list of functions as the Planning Commission tried to do, the authorities involved will differ from State to State and even from place to place in single State. The reason is quite simple. For historical reasons, we have in our urban areas a number of authorities other than the municipality or the municipal corporation. For instance, there is the Housing Board ; in certain cases there is the Improvement Trust. If you take the case of Maharashtra, apart from Nagpur where there is an Improvement Trust, no other city in that State has an Improvement

Trust. In U.P., on the other hand, apart from the five corporation towns most of the municipal towns have got Improvement Trusts working alongside the municipalities. Thus, the moment one thinks in terms of a number of authorities to be included along with their functions in the framework of city development plan, it gives rise to a complicated situation. Shall we say that in such a situation the municipality or the municipal corporation alone should go ahead with the framing and implementation of the city development plan? Certainly, it is not a very satisfactory answer.

“The situation is further complicated when we try to extend the boundary of the municipality and try to include certain fringe areas. When one thinks of a development plan for Delhi or Calcutta or Bombay, the very concept of city development plan may not be applicable to these metropolitan complexes. Rather you have to think in terms of city region plans covering a wide hinterland. For planning purposes, this problem of boundaries might arise in other urban areas also. For instance, in many of our urban areas the urbanised tract does not end at the boundary of the municipality; it spills over the municipal limits. Secondly, there are instances where the cantonment board and the municipality have grown up together almost as one unit. In the last census (1961), more than 50 per cent of the cantonments formed part of town groups. In other words, you cannot think in terms of town planning or city development plan in those areas without taking into account the problem of the neighbouring cantonments. Lastly, even in small towns or district and subdivisional headquarters, the town is most often a marketing and service centre for the surrounding villages. In all these cases the problem is that certain other areas beyond the city limit will have to be considered in framing the five-year plan. Given these situations, I do not think there is any escape from the involvement of number of institutions in the preparation and implementation of the city development plan. The Town and Country Planning Organisation of the Government of India tried to evolve a methodology for the preparation of the five-year city development plan. For this purpose, they had selected three major cities. One is Agra, another is Meerut and the third one is Jaipur. In all these cases the plans were prepared taking into account this very fact that it cannot be an

exclusively municipal plan. The authorities involved were, in the case of Agra, the Improvement Trust, the Municipal Corporation and the State Government. Also, the Cantonment Board agreed to share costs of water supply. The Meerut plan included the Meerut City Municipality, the Meerut Improvement Trust, and the State Government. Although, Meerut Cantonment and Meerut City are inseparably connected with each other, the plan could not include the Cantonment Board. Unlike other cities in India, in Jaipur even the elementary municipal functions like education, water supply, etc., are undertaken by the State Departments. As a result, when the plan was being framed tentatively, they had to include the involved State Departments, the Improvement Trust and the Municipality. We are, therefore, facing situations characterised by a plurality of institutions in the city areas. In this context we will have to think how to fix up the agency for the preparation of the city plan. Actually, this problem was faced by Poona, and the framers of the Poona City Development Plan admitted that the plan should have taken into account the Poona Cantonment Board plus the neighbouring townships of Pimpri and Chinchwad which are now being developed by the Maharashtra Industrial Development Corporation—another competitive urban authority.

“At this stage, I would like to refer to certain instances of actual plan preparation. One is the case of Poona. So far as Poona is concerned, the plan preparation was facilitated by the presence of the then Minister for Industries, Shri S. G. Barve. Also, a representative of the Finance Department was present at the first meeting and took part in the preliminary discussion. The Mayor appointed an *ad hoc* committee of prominent citizens, M.L.A.’s, M.L.C.’s and M.P.’s, which discussed the objectives, priorities and financial implications of the plan. The actual preparation, the technical part of it, was entrusted to the six sub-committees. Thus, the plan was framed which was approved by the Municipal Corporation and later forwarded to the State Government. In Delhi, to which Madam Chairman referred, as well as in Calcutta the plans were prepared by specially constituted authorities. The plan for Calcutta was not for the city alone but for the Calcutta Metropolitan District which included three municipal corporations, about 32 municipalities, one cantonment board, one notified

area authority and about half a dozen special authorities such as Improvement Trust, Housing Board and so on. The Government of West Bengal had set up the Calcutta Metropolitan Planning Organisation—a technical body—to prepare a comprehensive plan for the far-flung metropolitan area. The situations I have pointed out here, broadly speaking, are divisible into two classes. One is the case of Poona where, in spite of the multiplicity of authorities a plan was prepared by the city itself. In the second instance, a special authority was created for the Calcutta plan.

“Actually, two important committees earlier went into this very important question. One is the Committee of Ministers constituted by the Central Council of Local Self-Government that produced the report on Augmentation of Financial Resources of the Urban Local Bodies, and the other is the Rural-Urban Relationship Committee. These two committees have come out with different conclusions. The first committee envisaged a State-level Urban Development Board which would have its operating units in specific urban areas. Where separate units could not be set up, a suitable local agency would do the work under the general direction and control of the Board. The Rural-Urban Relationship Committee, on the other hand, concerned itself with the problem of dovetailing urban and rural plans together. Accordingly, three devices were suggested for the three situations, *viz.*, (i) a district with a substantial urban population, (ii) a predominantly rural district, and (iii) a metropolitan area or a city region. For the first situation a statutory planning and development authority has been recommended consisting of representatives from the Zilla Parishad and the urban local bodies. The authority would coordinate, implement certain functions and set the guidelines for planning and development which the local bodies would be following. For the second situation, it is recommended that a special committee of the Zilla Parishad on which the local bodies would be represented would undertake that task of planning and development with the guidance and assistance of the State Government. For the metropolitan area or a city region, two alternatives have been suggested. One is to place the entire city region under a single municipal authority; the other alternative is to create a special statutory authority

for undertaking the planning and development of area-wide functions, matters of purely local interest being left to the local authorities.

"Of these two committees, the Rural-Urban Relationship Committee made an admirable attempt to think in an altogether unconventional way about a possible amalgamation of the rural and urban local bodies for the purposes of planning and development. This may well be the precursor of a composite form of local government that would do away with the present-day artificial distinction between urban and rural local governments. The recommendation for the *ad hoc* planning authority is often made to overcome the difficulties involved in poly-institutional situation. Also, in most cases, our local bodies do not have the necessary technical know-how and they are always area-bound. From a long-term point of view, however, the municipality of urban authorities such as the Improvement Trusts, the Housing Boards, etc., need to be merged into the elective local government which would obviate the necessity of having an *ad hoc* planning authority. Furthermore, the boundary problem cannot be taken as an insuperable problem. In the ultimate analysis, an *ad hoc* planning authority is no substitute for an elective local planning authority which is in close touch with the needs and aspirations of the people.

"Whatever be the merits of the recommendations of the Rural-Urban Relationship Committee, it is not known whether these recommendations are going to be implemented by the State Governments in the near future. Shall we then bid goodbye to city development plan in the absence of the recommended agencies? Nobody present in this Seminar would, I believe, reply to this question in the affirmative. Even in the absence of an ideal institutional arrangement, city development plan can be undertaken by the existing agencies operating in our urban areas. Under the municipal and panchayati raj Acts all over India, there is no legal bar to inter-local authority cooperation. Even where cooperation may not be easily forthcoming, the municipal authority can always plan for its own services and functions which is certainly better than no planning at all. Since the planning exercise is a new thing to the local bodies, the role of the State Government in showing the guidelines and assisting and advising them is of crucial

importance. Thank you."

The Chairman then requested the participants from the Cantonment Boards to contribute their experiences and ideas to the group.

Taking the floor a participant from a Cantonment Board said : "Madam Chairman, I thank you very much for having given me a chance to speak. Unfortunately, I represent the Cantonments. In India there are more than 60 Cantonments and the people living there consider themselves as second-grade citizens. We do not know whether Independence has come at all or not. The reason is quite clear. The constitution of the Cantonment Board was made by the Britishers for their own benefit, which is not democratic. When we go to the Board after elections, we find 7 nominated and 7 elected members. The elected element belongs to different parties while the nominated ones belong to Defence Services. They have only one view, that of the Chairman who is the officer normally commanding the Station. They look towards him and whatever he says, they ditto him. Existence of Cantonment Boards is a mockery. The sooner it is removed, the better it will be. I would request the Central Government, through this Seminar, to abolish Cantonment Boards as early as possible. Barring a few Cantonments in India, most of them are state aided. The reason is that all the land in the Cantonment area belongs to Government; as mostly military men live there. There is a provision in the Cantonment Act that anybody can be removed from the Cantonment area. In Municipal Acts there is no such provision that a person can be removed from the area.

Explaining the working of the Cantonment Boards the participant said : "We the elected members have no voice there. The military officers think themselves supreme and tell us 'you sit down'. Sometimes the members are present but the Chairman says, 'I will mark you absent'. So we are treated in this manner. Whenever we go to the Board's Office, the Chairman says, 'You have no business to talk to the staff'. Our conscience is killed. Our Civil Area Committee has got some powers. We want to bring some parity among members. So far as development plans are concerned, Cantonments are a problem. If we ask the Central Government for money, say, for water supply, sanitation or road construction, they will say,

'we will give you for one item only'. In fact, if you see the condition of the Cantonments, you will find it worse than a village. Delhi Cantonment is the oldest. There are *Kacha* streets having no water connection, no electricity. We have been discussing the municipal development plans but in fact we have not tried to know the conditions of Cantonments.

"Regarding allocation of funds, last year there were 62 Cantonments. Only Rs. 18 lakhs were given to these Boards for development plans. Our allocation is made in the Defence budget. We want the Planning Commission to give us grants through the State Government budgets. The election rules are also out-dated. You cannot have polling agents. Our Directorate is so useless that they would increase the number of their officers rather than increasing the funds for development work in the Cantonments. The administrative machinery of Cantonments is worse."

Another participant from the Cantonment Board said : "The betterment of Cantonment Boards cannot be undertaken through local initiative, because the projects and their implementation are controlled by the Central Government through the Ministry of Defence. Secondly, the civil population is generally in a minority in the Cantonment Board areas and, thus, they have very little to say as to the manner in which the Cantonment Boards should be managed. Most of the problems pertaining to social welfare are generally rejected by the General Officer Commanding (G.O.C.) who is apparently the supreme boss in the area. The Seminar should draw the attention of the Central Government to this deplorable state of affairs, and urge on them to provide grants for the improvement of the Cantonment Boards."

Another participant opined : "I have no faith in Government preparing the plans for local bodies. I have no faith in their execution. So I am in full agreement with my friends that while preparing out plans, we must take into consideration several agencies that exist at the local level. Unfortunately, whether it is State Government or Central Government, they never care for the local conditions. We have several authorities at the local level—for example, electricity board, housing board, etc., and we have to work in consultation with them, but the ultimate responsibility should be of the local people, or

their representatives. The various authorities may be consulted but, ultimately, preparation and implementation of plans should be the concern of the local bodies."

Explaining certain points raised during the discussion Dr. H. K. Paranjape said : "Madam Chairman, I am very glad that a number of points have been raised. Actually the whole emphasis on the two-way planning methods is that unless people who are involved in various developmental activities are in one way or the other associated closely with the planning process, planning can never be either realistic or successful. The emphasis that I laid on expertise was to indicate that planning cannot be undertaken without associating experts, although the final decision will have to be through the democratic system, by people who represent the citizens. The choice has to be formulated on the basis of proper technical examination by persons who are technically competent. The final choice can never be made either by the bureaucrat or the technocrat. It has to be of the people and their representatives. Not only that, but in regard to certain activities, there is no doubt, a great deal of direct participation in programme formulation by the people would be very useful. For example, take agriculture. To some extent the local problems in an urban area will also be amenable to that kind of solution. The manner in which this association can be brought about is something that we do not have time to discuss today, but in principle there is no doubt that we have to evolve ways in which this can be done. But I would like to utter a word of 'caution'. It is easy to say that planning should be according to people's wishes. It is not so easy to find out what are the people's wishes; because many times there is, as we see, an inevitable choice involved, and the choice cannot be independently made unless the implications of the different choices are technically worked out; otherwise, certainly we all want more roads, more clean water and everything else. But when we cannot do all these things simultaneously, what is it that is more important. What should be done today if you want something tomorrow. These are some of the problems for which technical expertise is needed; that is, you will tell the people, if you take this path, this would be the result and so on. What is your wish ?

“Now one or two minor points. A point was also raised about irrigation projects. We would not have solved the food problem but for these massive irrigation works, and we would have faced worse conditions than we have faced now. In 1950-51, the food production was 50 million tons, now we are producing 95 million tons. This increase is primarily due to massive irrigation projects. We have had bad monsoons and we did have shortfalls. Even the crops which we had last year, we would not have had but for these massive irrigation projects.

“Finally, I would say that there are certain other points in the area of planning. I think the most important point is that there must be a proper inter-weaving of the various authorities that are involved in developing a particular area. I further emphasise that the urban and rural areas planning cannot be separated. Perhaps some of you might have seen the report of the Gadgil Committee. Its approach was that you cannot think of developing one city and another city independently. You have to think of the whole region. Unless we take that approach and have area and regional planning and make advance arrangements for transport, for power, housing, and other various problems that are likely to arise, we will have many more problems. How exactly the area should be chosen is a matter of detail. That will have to be worked out by a broad study. But unless the rural and urban areas are brought together, and the various agencies working in that area, you will not have a really good plan. For this purpose we must have planning expertise, not bureaucratic expertise. One should learn to make distinction. Bureaucracy ordinarily means somebody who is a general purpose person, who assumes that he can do anything. An expert is a person who knows what he can do well, and also who knows what he cannot do. Planning is that kind of field. Unless we develop expertise and use it in the municipal area, in the panchayat raj area, and State planning organisation, we cannot bring proper kind of development. Thank you.”

Taking the floor the Chairman said : “We come to the end of our deliberations. I do not have very much to say. As I told you in the beginning, I agree that you must have knowledge about people. The political workers must know

what the people want. You put their wishes into action. Planning is a 20th Century concept. It came into being in a country where political changes were taking place. The Soviet Union is the originator of all development plans. Planning swept away all the evils that feudalism had. We have seen that through planning, the peoples, representatives replaced the old order when they came into power. As you know, there are familiar references of the old order, the bureaucrats of the old order fled. The workers were asked, 'do you know how to read and write' ? 'You can do this bank work', 'You sit here and start the work', 'Adding and subtracting is not difficult.' That planning had naturally definite targets, definite goals. There was a revolutionary urge, and that revolutionary urge brought about colossal results. Step by step they made progress. They made mistakes, there were famines, civil wars and so many calamities. But that leadership knew where it wanted to go. They had the capacity, power and support. We also thought of planning in India. Shri Jawaharlal Nehru intended long ago that we should have started this, but he was aware of the fact that the revolution that was to take place here was of a different nature and character. He had the concept of planning even before freedom. He had set up a Planning Committee. He had devoted sometime to it. He could not work out all those schemes. He did not have the time. After the assumption of power, we found, we are all collectively responsible for this state of affairs, or this fault finding. We are still in a feudal or semi-colonial condition. It is a monopolistic society that has grown up, not a socialistic pattern of society. There are certain privileged classes. Take New Delhi itself. There is one part of New Delhi which is well developed. If the UNCTAD people go round New Delhi they would feel that India is very well developed and advanced. They are not permitted to go to old Delhi. Their barometer is New Delhi. Let them come to the Jama Masjid side. They will be horrified. Thus, it is here that the society is divided into rich and poor. There are super privileged, middle privileged and under privileged men who have no status at all. So in a society like this, we are happy to realise that machineries have been set in motion. Let us be grateful to Pandit Jawaharlal Nehru for having given us a mechanism through which we can improve,

we can implement things. With the growth of social consciousness, I have not the least doubt that the day is not very far—it may not be during the life time of many of us—when it will not take long for people to get the levers of power back into their own hands and real industrial development will take place under the leadership of people who will think of the people as a whole, nation as a whole, and so on. With these words, I thank you very much.”

Shri G. Mukharji, Director (CMA) said : “I am very grateful to *Shrimati Aruna Asaf Ali* for having agreed to come here and preside over this session, which in many ways was an important session. I must, also, confess that your final observations with regard to the whole concept of planning are extremely provocative in many ways. Once again, I thank you so much for the interest you have taken in this Seminar and for having expressed your views on various subjects.”

Welcoming the Mayor, *Dr. J. N. Khosla*, Director, Indian Institute of Public Administration said : “It is my privilege to welcome the Mayor who is no stranger to this Institute. He had inaugurated our courses before. He is a person who commands great respect in our country. I am happy that he has been good enough to spare some time this afternoon. We will continue with the discussion for some time more and, thereafter, Prof. Mukharji would give a summary of the proceedings. I am sure you would also like to listen to the Hon’ble Mayor who has always something worthwhile to say. Thank you.”

Taking the floor a participant said : “Mr. Chairman, in the forenoon session of this seminar, we were discussing about the responsibility of preparing the plans and their implementation. The guest speakers gave us a good resume of the various matters and the conclusions reached. They emphasise that the local plans should be evolved by the local bodies and should be implemented by local bodies. I certainly agree with them. My view is that planning should start from the bottom, and should be for the fulfilment of the aspirations of the people. It should not be imposed upon the people. A speaker was right in saying that the various authorities should be combined, but I would say that the preparation of plans should be basically in the hands of the people. They should be consulted

at all stages. I do not mean that they will draw out a good plan, but they have the objectives, the ideals before them where they have to reach and those ideals can be translated by the experts. But now the process is reverse. Experts frame the plans and place before the representatives for rubber stamping them.

"I do not have hatred for bureaucrats. I know they are very intelligent people; they are the cream of our society; they are masters of all bye-laws, rules and regulations; but they are wooden headed; they are inelastic; they are inhuman. They forget the human approach; they do not know the miseries of the people. By and large, they are part of a machine, and a machine does not know whether your finger is going into it or is lead or an iron rod. Its job is to crush and they go on crushing. Unfortunately, for us these traditions of the bureaucracy has been coming from the British rule; they have not yet been shaken. The bureaucracy which should be the servant of the people, which should devote its life to service, they, unfortunately, want to be the rulers. That is the distinction I want to make."

Pleading the cause of the poor people the speaker said : "Let poor people live and let them have some share; let them not be thrown out on the street; let our planning not mean that 20,000 men be thrown out of the Jamuna Bazar without water, food and electricity. If that is the planning of bureaucrats, I certainly cannot reconcile myself, till the people begin to plan, not for a few privileged persons but for the down trodden people who want food and shelter. Are we prepared for the planning? This Seminar will become useless unless we make up our mind in urban development, that it is the common man, the poor man, the down-trodden man—we have to take care of, and in taking care of them we would welcome the guidance of the bureaucrats, we will make use of expert advice and expert knowledge; we will translate it for the service of the people so that the spirit of service comes up and not the whims of some people who have drawn their inspirations from the western world."

Taking the floor a participant said : "I would not like to enter into the controversy of official *versus* non-official in respect to the preparation of a city development plan. To my mind the majority party in the local authority should be

associated with the experts while preparing the plan document. Then that document should be placed before the whole council and discussed there. If there is an important suggestion, that should be incorporated in the plan. This is what, I feel, should be the democratic way of preparation of a city development plan document."

He then said : "On behalf of my colleagues, I take this opportunity to thank the authorities of the Indian Institute of Public Administration—Dr. J. N. Khosla and Prof. Mukharji—for having organised this Seminar. We assure them that we will do our best in the matter when we go back to our local bodies. We have benefited much out of its deliberations. Thank you."

Taking the floor *Prof. G. Mukharji* said : "Mr. Chairman, it is my pleasant function to provide a summary of the discussions that took place during the last three days. As you will discover, it is the lightest task insofar as I am not to make any original contribution, as others have done. I am particularly grateful to all those people who participated in the Seminar, having come from long distances and who have expressed their views frankly on the various subjects that have been discussed here.

"The need of planning and the planning process was very lucidly explained by Shri Govind Narain, the Health Secretary, and he emphasised, in the course of his excellent talk, that planning was the real assessment of the need, thereafter, of priorities in the context of resources and their balancing, so as to be able to achieve the goals to the maximum extent possible for the welfare of the community. He also indicated that planning was a continuous process, to which I wish to add—it is not merely a continuous process but is also a progressive process. The Health Secretary also made a very valuable reference to the subject of augmentation of financial resources of the local bodies. Naturally, no readymade solution for this can be offered because again many troubles are there. Those hurdles are symptomatic of the situation prevailing in the entire country. For instance, the Government of India cannot sit tight and tell the people that it cannot do a thing because it has not received the required amount of foreign aid from Russia or the United States. You cannot determine the quality

of your work on the quantity of external aid. But the quality can be determined insofar as finances are available.

"Thereafter, we had more specific discussions through several sessions. Almost every speaker emphasised how they were restricted in regard to finance, and that this Seminar should recommend for more financial assistance. I think everybody here agrees that there are financial difficulties. Then, of course, it was emphasised a great deal that the State Governments were extremely apathetic towards the requirements of the urban population. This point has been mentioned quite emphatically. There was considerable discussion about the plan-making agency, the role of the politician and the civil servant and the importance of peoples' participation. I do not make any difference between politicians and others. Human beings are making the plans and executing them. Attention must also be drawn to an obvious contradiction to which also references were made. On the one hand, we ask for activities in the economic sphere which automatically help increase the urban population. On the other, we come out with claims of Indian culture. They say, 'rural life is good'. In fact, I live in a rural area. I know a good deal about it. But there is nothing to be ashamed of with regard to urban growth. I see no reason why, wherever a man lives, his conditions of living should not be improved. That improvement can take place if there is a concerted effort, first of all towards finding out what are the things that are needed, then to find out the means of providing them, and lastly to find out the machinery to deliver the good.

"Here comes the other aspect of this discussion, the question of population, because urban expansion is taking place and some emphasis was placed on this question of population study and the population projections including the important subject of occupation pattern. I would urge on behalf of the organisers of this Seminar, that you may frame any kind of programme or policy for an urban area, but you must have a proper picture of the human content of that area. That is an absolute must. Whether the man lives there, what he does, women asking for any occupation or not, at what stage children take to work, is there mal-nutrition in a particular area, are people coming from outside or, are people leaving

this place to get employment elsewhere ? It is very important from the human point of view to take care of those areas which are getting devastated because of lack of effort on our part and to keep them in good condition. No one wants any area to die. It dies because the human being has neglected it. A study of these problems is essential.

“Having talked of population, we had three more useful discussions on expenditure planning and planning of resources in regard to finance, material and manpower. These were also extremely useful; and as tools of planning, you will all agree that this information is also needed by those persons who are responsible for the administration of the particular area. Again I use the word administration not in a narrow sense.

“I come to some problems which have been raised in the course of the discussions on which I have my own views. A point has been made by two of our friends from Cantonment Boards. It is an absolute fact that the Cantonment Boards are an anachronism today and they have no right to exist. They should vanish and should merge into the municipal areas adjacent to them. I am not saying this because of any social or economic reason. If you accept a democratic pattern of society, and we have done that willingly and happily, then the justification for the Cantonment Board does not exist. This matter has been discussed in the past at the highest level. The actual opposition has come from Defence people whose main argument is the security of the country. It is a subject on which I cannot claim to speak with authority. I am not in a position to say that their judgment was erroneous or perverse, but to me it appears reasonable that they should merge into the municipal area adjoining them. The only solution that I can think of in regard to this problem is agitation—not violent but political agitation in Parliament and elsewhere—to ensure that the Cantonment Boards do get incorporated into the adjoining local bodies. The Rural-Urban Relationship Committee recommended that, in due course of time, Cantonment Boards should be wound up. I am even against the separate housing colonies for civil servants, military officers and diplomats.

“A point which was raised in the course of discussion, but not discussed in greater detail because of lack of time, was about housing plots being sold for profit and, therefore, the

rich are getting the advantage. In actual fact, this is a point which should be discussed, in my judgment, in a separate seminar on land policy. As far as I know there is no land policy on behalf of Government. We are doing something with regard to rural land. There is an immediate need to formulate a proper urban land policy. I do not think there is full justification to divide the urban land into three or four distinct economic compartments. Land should be made available in the competitive market to people who can afford to pay more, who want the luxury of living in big houses with gardens, etc. Therefore, to set up competition among that class is certainly justified. Land is an important component for industrial development and you should cheerfully provide land to industry at some controlled price. By and large, plan making and plan implementation is a function of local government. As far as I remember a draft legislation known as the model law for Town Planning was circulated some years ago. It recommended that the local bodies should make plans, but where the local bodies do not have financial or technical resources to do that, the work should be undertaken by the Government. But even assuming that the local body cannot do it, or is not interested in doing it, if the State planning agency makes a plan—I am talking of physical plans, even then the participation of the local people is unavoidable. There should be avoidance of creating too many agencies. I was telling in another seminar here in this Institute that coordination is a good thing but in actual fact it does not work. In Government I have seen more the absence of it than the presence of it. It is an extremely difficult exercise to bring about coordination. There is one thing possible and the more we go in that direction the better. It should be fusion—one organic agency proceeding from A to Z in plan making, plan implementation, evaluation, review, revision. This is one side of the intellectual exercise, and the other side is assessment of revenue resources, measures for augmentation and proper utilisation of funds. Both processes must be fused into one agency. If somebody is not doing his work according to schedule, there is nothing wrong if the State Government steps in.

“It has been stated repeatedly that planning should start from the bottom and not from the top. I would request all of

you to reject deliberately and as vigorously as you can, the idea of planning either at the top or at the bottom. So long as you think in those terms, planning will go wrong. It is all pervasive, it is one organic whole. There is no beginning and no end. There should be no distinction. So long as these distinctions last even as a notion, we will be continuously facing the problems. The problem is not so much of execution, it is a psychological hurdle. Thank you very much."

Giving his concluding remarks the Chairman, Shri Hans Raj Gupta, Mayor of Delhi, said : "Mr. Mukharji and friends : It is indeed very gratifying that I have been given the opportunity today to be with you this evening. Although it is the concluding session of the Seminar, I was able to get a summary of the discussions that had taken place. I feel that the Seminar has indeed been very interesting, and I believe that the discussion must have also been equally good. There is no use having a seminar and coming to certain conclusions and nothing happening about it. I suppose this has been the fate of many seminars that we have discussions, formulate our views, the government officers also listen to our views and then the outcome is almost nothing. But you are all practical people who have assembled here. You know the difficulties which have come in the way of planning, programming, implementation, in getting the finance; and apart from all these minor difficulties, the red-tape has come in the way of really getting things done. I have got an example before me, about the Master Plan for Delhi. Mr. Mukharji has worked on that Plan for quite a number of years, but the time that has been taken in drawing up the Plan, discussing all those details and arriving at certain conclusions getting the Cabinet decisions and, subsequently, now the time has been taken in implementing the Plan is something which is agonising not only for those people who have been in civic affairs but even people like me who in the last phase of their lives have been thrown into it.

"So, it is absolutely necessary for us to look into the development of our cities. They are growing, and the villagers also now feel that on account of various services that are available in the towns, or even employment they get in towns, they must come here in order to have a better standard

of life and in order to earn their livelihood. It is almost a unanimous view in almost the whole of our country that our urban population is growing. Delhi may be an example where the population growth is considerable. It is also quite true that although there has been some emphasis here and there on the part of the Central Government and the State Governments regarding the plan that will be drawn for these towns, either because the administrators or the municipal councils are not very keen or the State authorities are not showing their interest, at least nothing much seems to have been done. Wherever, Improvement Trusts have been established and development authorities have been appointed, the progress has been painfully slow. The Mayor of Baroda probably will take pride to say that so far as his town is concerned, he has done remarkably well. Ahmedabad is another example. There are other towns where the development has been extremely good. But, by and large, the planning in cities has been slow and the implementation slower. It is quite correct that we have now started believing in democracy and, therefore, we all wish that elected representatives must be given a chance, their views must be considered and actually all development should be done after their full consent has been obtained. As a matter of fact, they should be the people who should implement all these plans. But, I am afraid, there are a few elected representatives also who do not take interest in the whole matter, or are not prepared to take initiative or to work that much. It is required to prepare the plans properly and to implement them properly.

“Let us take the case of the Master Plan of Delhi. The Plan was circulated and opinions were invited. I suppose there were long committee meetings where the objections, raised by the people, were considered. Even after going through that process we find that people even now have a spate of objections at least insofar as their localities are concerned. When the Plan was put up, they did not bother to put up any objection. Even the councillors did not have time. Exceptions are very few. Most of them never bothered as to what was happening to the Master Plan, and what will be the outcome of it. Subsequently they raised a hue and cry at least to protect their interests.

“There are very few people who are really bothered about the development of the towns. So, ultimately it becomes the responsibility of the town planners, who are appointed either by a Municipal Corporation or by the Central or State Government who have to prepare the plans. It is only at the stage of implementation that an attempt is made to find out how far it is going to affect the interests of the whole community, and whether it will be possible to implement it or not and from where the finances would be made available to implement it. So it becomes rather complicated. I do not think it is your wish to say that we will leave it to the civic authorities, leave it to the elected representatives, or leave it entirely to the government and they will be able to make a good job of it. At all stages the people or their elected representatives will have to be consulted. Sometimes their opinions will be worth taking into consideration, but sometimes they may not know what is going to take place after ten years.

“So far as our towns are concerned, the main difficulties are about the growth of population. Take Delhi for instance. We think after some time our population may be 8 million. It is only about 4 million now. It has been growing at a much greater pace, at the rate of about 1,50,000 every year. In the Western countries of the world the population migration to cities has been checked very easily by providing facilities in the villages. There it is not worthwhile for a villager to come to a town to lead a better standard, because he is able to get the same standard of living in a village as in a town. They have got good houses, T. Vs. Radios, refrigerators, and everything else necessary for their comfortable living in villages. Unfortunately, it is not so in India. In Western countries the transport facilities are such that they are able to go to the office very comfortably. As a matter of fact, in New York probably 80 per cent of people live outside New York City and they come to New York only to work. So there is no necessity for residential accommodation in the City itself, because the transport system is so good that they could come to work every day without any difficulty.

“When a city plan is in preparation the people should take the question of the whole town into consideration and see how the whole thing would look. Convenience of some people

may be sacrificed so that the whole town gets a proper pattern, otherwise there is no sense in planning. In the plan preparation stage it is the interest of the city which should be taken into account and not the interest of certain individuals. It is very very difficult to satisfy all the individuals. And since the plan has been adopted you have to have some persons who can say : 'This cannot be changed because we have taken into consideration the overall interest of the community and consequently the individual interests have to be sacrificed.'

"These are some of the stray thoughts which come to my mind. We have been considering these issues, particularly the question of planning in Delhi, for quite some time. The way in which we had planned our localities is also sometimes wrong. You must have schools, colleges, shops, and at the same time some houses where people who are serving them can also live. It means that in a place you must also have houses for the slum dwellers, giving them necessary facilities. Apart from that, the way in which some of our towns have grown up, it has become absolutely necessary for us to remove the whole community where slums have been created and put them somewhere else, giving them a reasonable way of life.

"I must confess, I am new to the civic affairs. I am trying to learn. I keep my eyes and mind open. I do not say that whatever I have said is the right approach. Thank you."

Thanking the Chairman and the participants, Prof. Mukharji said : "Since Dr. Khosla had to go out, I was asked to thank you all on his behalf and on behalf of this Institute. I thank you Gentlemen for the views you have expressed here. It has covered the whole range of subjects. I am also very much thankful to the distinguished Mayor of Delhi who could find time to come and preside over this session. I must also thank all the participants for having brought out many points of interest, and we do hope these points will be borne in mind by everybody concerned in giving further thought to the whole problem of preparation of five year municipal development plans. I wish to take this opportunity to thank those gentlemen who gave special talks on specific topics. They actually set the pace for each session. I am very grateful to them. I thank you all once again."

